

JPRS 75021

29 January 1980

# West Europe Report

No. 1533

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

REPORT DOCUMENTATION PAGE		1. REPORT NO. JPRS 75021	2.	3. Recipient's Accession No.
4. Title and Subtitle WEST EUROPE REPORT, No. 1533			5. Report Date 29 January 1980	
7. Author(s)			6.	
9. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201			8. Performing Organization Rept. No.	
12. Sponsoring Organization Name and Address  As above			10. Project/Task/Work Unit No.	
			11. Contract(C) or Grant(G) No. (C) (G)	
13. Type of Report & Period Covered			14.	
15. Supplementary Notes				
16. Abstract (Limit: 200 words)  This serial report contains political/economic information on West European energy, finance and trade policy matters as well as developments and trends in the doctrine, programs and problems of the major communist parties, including their relations with communist parties outside the West European area. The report also contains information on Theater Nuclear Forces and elections to the European Parliament.				
17. Document Analysis a. Descriptors				
Political Science	<u>X</u> International Affairs	<u>X</u> Iceland		
Sociology	<u>  </u> Austria	<u>X</u> Italy		
Propaganda	<u>X</u> Belgium	<u>  </u> Luxembourg		
Economics	<u>X</u> Canada	<u>X</u> Netherlands		
Energy	<u>X</u> Cyprus	<u>X</u> Norway		
Industry	<u>X</u> Denmark	<u>  </u> Portugal		
Trade	<u>X</u> Federal Republic of	<u>X</u> Spain		
Finance	<u>  </u> Germany	<u>X</u> Sweden		
Theater Nuclear Forces	<u>X</u> Finland	<u>  </u> Switzerland		
	<u>X</u> France	<u>  </u> Turkey		
	<u>  </u> Greece	<u>  </u> United Kingdom		
b. Identifiers/Open-Ended Terms				
c. COSATI Field/Group 5C, 5D, 10				
18. Availability Statement Unlimited Availability Sold by NTIS Springfield, Virginia 22161		19. Security Class (This Report) UNCLASSIFIED		21. No. of Pages 175
		20. Security Class (This Page) UNCLASSIFIED		22. Price

29 January 1980

## WEST EUROPE REPORT

No. 1533

## CONTENTS

PAGE

## COUNTRY SECTION

## INTERNATIONAL AFFAIRS

- Austrian Spy Case Could Have Been Avoided  
(Various sources, various dates)..... 1

Intelligence Branch Needs Improvement, by Oskar Reck  
Parliament Warned EMD

- East Bloc Steps Up Activities in Azores, Canaries  
(Rolf Goertz; DIE WELT, 20 Dec 79)..... 4

## BELGIUM

- King, Prime Minister Address Nation on Political Situation  
(LE SOIR, 21 Dec 79)..... 9

- Cools Discusses Problems Facing Socialist Party  
(Andre Cools Interview; SPECIAL, 13 Dec 79)..... 13

- Civil Defense Scheme Considered Inadequate  
(LA LIBRE BELGIQUE, 19, 20 Nov 79)..... 19

Civil Defense Chief Interview  
General Close Interview

- General Close Warnings on Soviet Nuclear Threat  
(LE SOIR, 12 Dec 79)..... 28

- Belgian-Chinese Commercial Contacts Improving  
(Jean Pourbaix; POURQUOI PAS?, 13 Dec 79)..... 31



CONTENTS (Continued)	Page
CANADA	
Results of Poll on Quebec Referendum Analyzed (Claude Beauchamp; LE SOLEIL, 24 Dec 79).....	36
Ryan's Leadership of Quebec Liberal Party Praised, Cautioned (Editorial, Marcel Pepin; LE SOLEIL, 6 Dec 79).....	38
Ryan's Attitude on Quebec Referendum Criticized (Various sources, various dates).....	40
Mr Ryan's Reaction, by Marcel Pepin Ryan on Referendum	
Levesque Accused of Avoiding Real Debate (Editorial, Marcel Pepin; LE SOLEIL, 11 Dec 79).....	43
CYPRUS	
Finance Minister Reports on Economy (CYPRUS BULLETIN, 8 Dec 79).....	45
Briefs	
New Thermal Power Station	47
Nicosia Water Supply	47
DENMARK	
A.P. Moller To Increase North Sea Oil Production, Search (Erik Bendt Rasmussen; BERLINGSKE TIDENDE, 8 Dec 79)....	48
Consortium To Renew Search for Oil in South Jutland (Erik Bendt Rasmussen; BERLINGSKE TIDENDE, 9 Dec 79)....	50
Oil Price Rise To Affect Already Careening Economy (Frank Dahlgaard, BERLINGSKE TIDENDE, 13 Dec 79).....	52
Farmers Complain of Drastic Income Reduction (Kirsten Risgaard; BERLINGSKE TIDENDE, 5 Dec 79).....	55
Farmers Angered Over Government Tax Proposal (INFORMATION, 8-9 Dec 79).....	58
Briefs	
Foreign Aid Increased	61

# CONTENTS (Continued)

Page

## FEDERAL REPUBLIC OF GERMANY

Year-End Pronouncements Reveal Election Campaign Issues (FRANKFURTER ALLGEMEINE, 29 Dec 79).....	62
CDU Fights To Retain Power in Baden-Wuerttemberg Election (Karl Schmitz; FRANKFURTER ALLGEMEINE, 3 Jan 80).....	64
CDU Foreign Aid Plank Stresses Coordination With Security Policy (FRANKFURTER ALLGEMEINE, 3 Jan 80).....	67

## FINLAND

Afghanistan Intervention Evokes Only Cautious Party Reactions (HELSINGIN SANOMAT, 3 Jan 80).....	69
Afghanistan Events Show World Opinion Double Standard Toward USSR, U.S. (Editorial; HELSINGIN SANOMAT, 3 Jan 80).....	72

## FRANCE

PCF Defends Support of Soviet Invasion of Afghanistan (Charles Fiterman Interview; L'HUMANITE, 9 Jan 80).....	74
CGT Assesses International, Afghan Situation (J. Gallan; L'HUMANITE, 9 Jan 80).....	76
Michel Pezet Designated New Head of Socialist Federation (Guy Porte; LE MONDE, 30 Nov 79).....	78
PSF Seen Changing in Three Basic Areas (D. Molho, et al; LE POINT, 20 Nov 79).....	80
Franco-Senegalese Maneuvers To Test 21st Marine Regiment (LE MONDE, 28 Nov 79).....	84

## ICELAND

Observer Analyzes Results of Althing Elections (Hannes Holmsteinn Gissurarson; MORGUNBLADID, 11 Dec 79)	86
Grondal: 1980 Will Be Year of No Growth in Economy (MORGUNBLADID, 19 Dec 79).....	91
Fishing Vessels Owners' Congress Weighs Oil Cost Effect (MORGUNBLADID, 13 Dec 79).....	93

CONTENTS (Continued)	Page
Briefs	
Hallgrimsson Foreign Affairs Committee Head	94
Unemployment Up	94
ITALY	
PCI's Amendola Defends Line Which Caused Criticism (Giorgio Amendola; RINASCITA, 7 Dec 79).....	95
PCI Organizes Women's Protest in Palermo (GIORNALE DE SICILIA, 21 Nov 79).....	104
CGIL General Secretary on Trade Unions in South (Luciano Lama Interview; LA GAZETTA DEL MEZZOGIORNO, 2 Dec 79).....	106
CISL Regional Secretary on State of Sicilian Branch (Sergio D'Antoni; GAZZETTA DEL SUD, 2 Dec 79).....	109
FLM National Secretary Discusses Trade Unions in South (Nando Morra; IL MATTINO, 15 Nov 79).....	113
Unions Criticize Calabria Authorities on Deal With Fiat (Pino Nano; IL MATTINO, 14 Nov 79).....	119
Unions Concerned About Unemployment in South (LA GAZZETTA DEL MEZZOGIORNO, 10 Nov 79).....	121
General Strike Declared in Reggio Calabria (GAZZETTA DEL SUD, 21 Nov 79).....	123
NETHERLANDS	
CPN Favors Coalition Politics, Party Pluralism (Gijs Schreuders; POLITIEK EN CULTUUR, Dec 79).....	125
NORWAY	
Norwegian Defense Called Ill-Prepared To Face Possible Blitzkrieg (Einar Kristian Holtet; AFTENPOSTEN, 11 Dec 79).....	135
Production of New Sub Series Scheduled for Late 1980's (Hans Christian Erlandsen; AFTENPOSTEN, 28 Nov 79).....	137
Briefs	
F-16 Test Flight	139
CIA Book	139

CONTENTS (Continued)	Page
SPAIN	
Communist Party of Andalusia Holds Congress (MUNDO OBRERO, 18 Dec 79).....	140
Soto Elected Secretary General Andalusia a 'Differentiated Community'	
Fraga Iribarne Tightens Control Over Popular Alliance (Various sources, 16, 20 Dec 79).....	145
Report on Congress Proceedings, by Camilo Vaidecantos Fraga Interviewed	
Anxel Guerreiro Chosen Secretary General of PCG (MUNDO OBRERO SEMANAL, 6-12 Dec 79).....	151
Fuentes Quintana on Effects of Oil Price Hikes on Economy (EL PAIS, 23 Dec 79).....	152
SWEDEN	
Center, Liberals, Fearing Conservative Tide, Flirt With SAP (Lars Hellberg; AFTENPOSTEN, 14 Dec 79).....	164
Gloomy Prognosis for Sweden's Economy in 1980 (Lars Hellberg; AFTENPOSTEN, 3 Jan 80).....	166
Despite Price Hikes, LKAB Mining Company Facing Difficult Year (Lars Hellberg; AFTENPOSTEN, 28 Dec 79).....	168
Factional Strife Erupts Among Peace Researchers (Lars Hellberg; AFTENPOSTEN, 7 Dec 79).....	169



## AUSTRIAN SPY CASE COULD HAVE BEEN AVOIDED

## Intelligence Branch Needs Improvement

Zurich DIE WELTWOCHEN in German 5 Dec 79 p 1

[Article by Oskar Reck: "Whom the EMD Needs"]

[Text] It almost seems as if the Confederate Military Dept were quite determined not to spare its departing chief any ignominy. Avoidable breakdowns and scandals which made Rudolf Gnaegi's life a misery were followed by an epilogue in his final hours. The only comment possible is to turn upside down Talleyrand's famous aphorism: "It is more than a crime, it is totally ridiculous." Two Swiss security enthusiasts, obviously suffering from arrested development, sought to spy on Austria's defense secrets. It was their shadows, though, not they who struck paydirt.

Confirmed once more is the fact that even the most stupid idea may be accepted by devoted servants of the public. At least from this aspect the confederate ban on civil service hirings seems justified. That which Col Albert Bachmann, head of the secret section "special services" within the subdivision "intelligence and counterintelligence" at the General Staff concocted together with former First Lieutenant in the Militia and professional observer of military exercises Kurt Schilling was sheer mischief from the foreign affairs aspect and a hopeless exercise in military futility.

A foolish though embarrassing contretemps--no more? We may be sure that it will not change the good neighborly relations between the two neutral nations. Military idiots, after all, do not carry enough weight to do that. The responsible members of the Austrian security team will not be prevented thereby from notifying the Swiss in future also of anything that may be useful for their own defense dispositions. Nor can we expect the dispatch here of equally talented spies, because it is to be assumed that there are none in Vienna.

Unfortunately the incident also has a less harmless aspect. If this were an accidental derailment on a far distant narrow-gauge track we might dismiss it, shrug our shoulders and return to normal business.

Due to the official status of the unsavory spymaster, however, that is not possible,--despite the fact that he has now been hastily removed from office. After all, as long as 10 years ago Bachmann was already in trouble when, on leave from military service as an instructor and member of a humanitarian mission in Nigeria/Biafra, he combined this mission with murky political side occupations. According to the verbatim text of a parliamentary intervention he refused to name his client.

Against this background it is not too amazing that General Staff Col Bachmann was able to embark on his absurd Austrian escapade. Of course we believe every one of his superiors, right to the top of the Military Dept, who protest their total ignorance of this crooked deal. Who in possession of all his faculties could possibly have approved it even from the military standpoint, let alone that of neutrality?

You may object that wrong appointments happen always and everywhere; confidence is an element of leadership and every job is likely to become sterile if it excludes independent action. That is indisputable. But does the inevitable justify that which could well be avoided? This cannot possibly be claimed either in the Confederate Military Dept nor anywhere else. And if the instances of avoidable breakdowns and scandals accumulate, the individual cases become symptoms. That again means the need for more than the occasional criticism.

Bluntly speaking, does this mean that there is something radically wrong with the army and the entire national defense of Switzerland? We certainly must not forego the constant review of security and the steady reappraisal of its components--ranging from foreign policy to economic stockpiling. But the breakdowns and scandals of the recent and latest past refer to something else: The military administration. It bears the burden of public displeasure and is the target of the demand for remedies.

At this moment criticism has focused on the military leadership just at the moment when the tried and tested head of the Confederate Military Dept makes way for his successor in the ill-favored office. It is perfectly obvious that Rudolf Gnaegi deserves our appreciation upon his departure from the office his colleagues urged him to take on in the first place.

The new chief, though, will not find an intact heritage to be administered in the traditional style. Precisely in the department with the most rigid hierarchical organization high-handedness reigns as nowhere else, and this has over and over again been the cause of scandals which destroyed confidence by sheer negligence.

The new chief cannot possibly command and control all the details of a large and complex department. But his subordinates, beginning with the army generals, must know that his civilian authority is supreme, and that he is capable of resolute action. Only thus will he be able to exercise that preventive effect which inhibits any adventures with possibly embarrassing consequences.

It is no accident that demands of this kind point at Kurt Furgler who would bring with him not only expertise but also, and above all, the drive so crucially needed in this department. Still, he would have to relinquish an assignment which needs exactly the same qualifications. Who then is to be the new chief? Wherever the choice of the Federal Council may fall—hard times are in store for the EMD.

#### Parliament Warned EMD

Zurich NEUE ZUERCHER ZEITUNG in German 25 Dec 79 p 13

[Text] In the opinion of Alfons Mueller-Marzohl (cantonal vice president, Lucerne), former president of the National Council's management investigation committee and the study group Jearmaire, the EMD could have prevented the embarrassing Schilling spy scandal in Austria. He thinks the scandal would not have happened if the EMD had taken seriously the warnings offered by parliament with regard to EMD Col Albert Bachmann.

On radio's "Saturday Review" National Councillor Mueller said that his committee had investigated the intelligence service in connection with the Jearmaire treason scandal. At that time it had come across Bachmann who was already then alleged to play "games" in friendly foreign countries. "As the matter was too sensitive and time consuming for us parliamentarians, we handed it over to the official investigating agencies," said Mueller. These latter had assured them that they would take the necessary steps. "Obviously, though," Bachmann must "have been one of the best protected persons in the EMD." No criticism of him had been tolerated without a bitter dispute. Subordinates who asked awkward questions were summarily removed as disruptive factors. Mueller recalled in particular one captain who, following a letter to the department head, was promptly transferred and had proceedings (not yet settled) started against him. "Explanations are still expected how far up criticism in fact managed to find its way," said Mueller. In any case the EMD had been warned by various people.

National Councillor Mueller concludes from all this that parliamentary administrative checks should be strengthened. This constitutional control is by no means superfluous. It is necessary to check whether some people secretly pursue their own defense and foreign policy, and whether promotion practices are at last improving, especially in the intelligence service. Steps should also be taken to prevent any deception of the Federal Council, causing it in fact to misinform parliament.

#### Schilling Released on Bail

The interrogation in the courts martial preliminary investigation of Kurt Schilling, sentenced for intelligence activities in Austria and deported to Switzerland, has concluded for the time being. According to an EMD report the accused was released on bail because the danger of collusion is no longer present. The results of the preliminary investigation will be published once the report of the investigating judge is available.

Investigations are still proceeding concerning Col Albert Bachmann, Schilling's client.

## EAST BLOC STEPS UP ACTIVITIES IN AZORES, CANARIES

Bonn DIE WELT in German 20 Dec 79 p 5

[Report by Rolf Goertz]

[Text] The day after his election victory and a week before President Carter asked for the solidarity of the European countries, Portugal's future Prime Minister Sa Carneiro stated: "We will do everything possible to assist any American action to save the hostages of Tehran." In other words: Americans may freely dispose of the base at Lajes on the Azores.

The Portuguese certainly had an ulterior motive in calling attention to the most vital way stations of all American transatlantic operations since World War II: The 10 islands of the Azores archipelago and the four islands of the Madeira group which are also Portuguese possessions.

In the Yom Kippur War American transport aircraft refueled in Lajes while carrying fresh supplies to the Israeli army. By tomorrow the base in the Azores may be crucial for operations in the Mideast. It does not matter whether the objective is the liberation of the hostages in Tehran or the security of oil supplies from the Persian Gulf. The route from the American West Coast via the Pacific would be twice as long and also less safe.

The strategic routes from Europe to Africa also run across this Atlantic zone. Two years ago, for example, French transport aircraft refueled in Madeira while carrying supplies for French paratroopers who were defending the ore mines of the Congo against attacks from Cuban dominated Angola.

Ever since, 497 years ago, Columbus followed up his visit to the "most honorable widow" Dona Ines Peraza on the Canaries by taking on food supplies for his journey of discovery to "India" and, during his return journey, sought shelter from heavy gales on the Azores--ever since that time the Spanish and Portuguese archipelagoes in the Atlantic have been the pivot of all naval strategy.

In times past Columbus acted as the "commanding admiral of the world seas as well as viceroy and governor of all islands and continents which I will discover and conquer." A similar action was undertaken by Sergei Gorshkov,



commanding admiral of the Red Navy, when, 10 years ago, he ensured that Spain put a fishing base on the Canaries at the disposal of the Soviet Union. Since then Soviet naval officers on board fishing trawlers are carrying on naval warfare in the Atlantic. Their fire direction devices--minus missiles or torpedoes--are aimed at the supertankers on their journey to Europe. As an exercise.

Thousands of sun worshipping vacationers from Germany and Scandinavia land daily on the Canaries. On the runways alongside their colorful charter aircraft are the scheduled aircraft of Aeroflot carrying replacement crews and spare parts for fishing cutters and submarines. The fishing cutters handle the further conveyance and discharge at sea.

Hundreds of Soviet trawlers, factory and workshop ships operate from Santa Cruz on Tenerife, one of the seven Canary Islands. More than 10,000 seamen can be assigned to the navy from one day to the next, to be concentrated at one or the other islands in the Atlantic. "We carry on an Eastern policy just like your Chancellor Willy Brandt. Except that our Eastern policy is located in the Atlantic," once upon a time said then Spanish Foreign Minister Lopez Bravo who, in fact, was a cosignatory of the Soviet-Spanish treaty on bases.

"Goths, Go Home!" Cry Port Workers

The Canaries are only 115 km from Africa but 1,050 km from Europe. Consequently socialist Algeria fabricated an "African" underground movement in Las Palmas, called the MPAIAC which, though having hardly any members, causes the utmost anxiety to the diplomatic apparatus in Madrid because the MPAIAC calls for the independence of the "African People's Republic of the Canaries."

Already communist port workers cry "Goths, go home!" and mean the Spaniards who immigrated 500 years ago at the time the Goths ruled the region and who, incidentally, are their own ancestors. Prime Minister Suarez reacted promptly: He sent half the Spanish Navy to the Canarian waters and decided on the construction of a new naval base. Moreover he placed in the islands a regiment of the Legion, the Spanish elite unit transferred from the Sahara.

The fairly precise outline already emerging on the Canaries is now to be copied on the Azores and Madeira also: Gorshkov's advance guard is already offering the traditional sops of cultural and economic treaties above ground and building up nationalist opposition cells underground. As a token of historical interest a Soviet research ship is to participate in the search for the legendary "Atlantis," the city allegedly swallowed up by the sea more than 2,000 years ago. The real assignment of this ship is likely to be the measurement of soil quality, depth flow and temperature differences--of great importance for submarines.

Also quite remarkable are the sudden efforts by the East Bloc countries to conclude trade and cultural agreements. Poland, for example, placed an order

for the rather obscure wines of the Azores, and East Berlin invited national dance groups to perform in the GDR.

The new friendship makes the first "Yankees, go home" wave almost inevitable. The islanders know full well that the "nationalists" emerging from the left for the first time are financed from the outside, but they are adopting a wait and see attitude.

Matters were quite different only 4 years ago, when Portugal itself threatened to turn communist. Then emigres from the Azores asked Washington for aid. The Islanders would have preferred to become an American state rather than be ruled by communists. The close relations with the United States do not depend on the treaty establishing the bases. Like the Irish, the Portuguese and Spanish have always tended to emigrate from their overpopulated islands, the Azores, Madeira and the Canaries, preferably to North and South America. In fact the island Spaniards now have more kin in Venezuela, Brazil and Cuba than in Spain proper.

Island consciousness, the steady emigration and the contact with America lend a particular political importance to the Atlantic archipelagoes within the framework of the new autonomies. The Azores and Madeira already enjoy elected provincial governments, though these are presided over by a governor appointed by Lisbon. The Canaries also will obtain an autonomous administration once their new statute takes effect. This will allow the Canaries nearly as much autonomy as the Basques and the Catalans. That makes the islands more susceptible to offers from abroad.

Only 2 years ago, at its congress in Madrid, the Spanish Government party UCD pleaded for inclusion of the Canaries in the NATO area in case Spain were to join the Atlantic Community. Three weeks ago, when senior politicians of the Atlantic and Mediterranean islands met for a "conference of strategic islands" in Funchal on Madeira, the future provincial minister president of Las Palmas and provincial chairman of the UCD asserted: "The Canaries will certainly remain outside the NATO sphere."

That is also the official opinion of the Madrid Government--at least as long as the outcome of the armed conflict in the western Sahara (near the Canaries) is undecided. Whatever happens there will have a direct effect on the islands.

Ostensibly the events in the western Sahara are concerned with an African liberation movement. The Polisario Front, established by Algeria, Libya and the Soviet Union, aims to set up a state of its own in the former Spanish Sahara which was handed over to Morocco. Its 80,000 residents--mostly nomads--would actually never be able to control this territory which is the size of the Federal Republic. Accordingly they will always depend on the military largesse of others.

Consequently the Polisario rebels, well equipped by the East and advised by four Soviet generals, fight the Moroccan army which, in turn, is supplied with materiel by the United States. Both sides are ultimately concerned with the control of one of the most strategic regions anywhere in the world.

Recently Jaime Gama, Portuguese delegate to the NATO parliament, socialist and, at 31, the youngest former (interior) minister of his country, described the military relation between these conflicts and the political development on the Atlantic islands.

To NATO parliamentarians assembled in Ottawa Gama said something like this: The tensions in North Africa, the Maghreb and, especially, the western Sahara are getting steadily more dangerous. They affect the Mediterranean as much as the Atlantic and the Iberian peninsula. At the same time they affect European energy supplies. Engaged against Morocco in the western Sahara is the Polisario Front, aided by the Soviet Union, Algeria and Libya. Also involved is Mauritania and, more and more, Spain in its capacity as partner of the trilateral agreement on the decolonialization of its former possession.

Jaime Gama concluded: "Should the Soviet Union now use this tension to entrench its influence in the region and widen its wedge, we may expect most adverse consequences for the Atlantic defense community."

The young Portuguese, born on the Azores and elected to parliament from the islands, added: "On the Canaries where the Algerians aid the MPAIAC and on the Azores and Madeira where similar efforts are in preparation the residents fear to be involved in a conflict which does not really concern them though it affects them directly. They sense that political forces on their islands operate against the members of the Atlantic Community, and that the Soviet Union aims to establish bases here. It is about time that we do something about that, before the enemy is able to launch another foray."

#### Reproach to Germans: Failure to Comprehend the Problem

Jaime Gama doubts, though, whether his urgent appeal has really hit the target. In Lisbon he told DIE WELT quite frankly: "I honestly believe that your compatriots, the German NATO delegates, have failed fully to comprehend the problem of the Atlantic islands."

What the Caribbean and Cuba mean for the United States, the region of the ocean between America, Europe and Africa means for Europe--in fact the importance of the latter is even greater. Crossing this triangle of the "European Caribbean" are the strategic West-East routes between America, Europe and the Mediterranean region as well as the North-South routes from Europe to Africa and beyond. In World War II the American forces landed in North Africa as a staging point for the invasion of Europe. Nowadays the arteries of our energy supply cross this same triangle.

The baseline of the strategic triangle leads from Lisbon to the western Sahara. It passes by the Bay of Cadiz and the American air and naval base

at Rota, it passes by the Straits of Gibraltar. The southwest flank extends from the western Sahara via the Canaries and Madeira to the Azores from whence the route returns to Lisbon. It would be entirely remarkable if the Soviet Union were to desist from applying its levers here.

11698

CSO: 3103



## KING, PRIME MINISTER ADDRESS NATION ON POLITICAL SITUATION

Brussels LE SOIR in French 21 Dec 79 pp 1,2

[Text] The king and queen greeted the members of government in the palace of Brussels on Thursday morning.

"On the eve of the 150th birthday of our nation, it is a great honor to present, in the government's name, our most sincere, respectful wishes for the new year to Your Majesty the King and Your Majesty the Queen and all members of the royal family," said the prime minister. Mr Martens also expressed his conviction that a large consensus still exists in Belgium to carry out the institutional reforms within the Belgian nation, "no doubt, greatly altered and transformed, but whose existence can not be questioned." The prime minister also criticized certain positions which question the institution of the monarchy.

In his reply, the king, after complimenting the prime minister's understanding, conciliatory spirit, urged the government to understand and respect legitimate community and regional aspirations. "Help carry out the necessary institutional reforms," urged the sovereign.

The following are the principal points of the prime minister's speech:

"The government, Your Majesties, is quite aware of the difficulties which our country and our society must face. With the rest of the western world, it shares the concerns caused by a deep economic crisis, but it brings with all our country's men of good will the hope that reason, ingenuity and imagination--virtues which our people have displayed so often--will lead us to a solution.

Our country has the good fortune to be able to rely on great positive, creative forces, whose prime mover is our youth. Our young people express, more clearly than ever, their faith in a healthy society, based on greater equality, greater tolerance and a more harmonious environment.

We must complete the reforms of the state to give these young people the best possible future.

I note with satisfaction that there still exists a broad consensus to carry out the reforms within the Belgian state, no doubt profoundly altered and transformed, but whose existence can no longer be questioned, since it is so much in the interest of all its citizens and European equilibrium.

We know, moreover, that the existence of Belgium and that of the monarchy are closely linked. Therefore, I am critical of certain positions which question the institution of the monarchy."

Mr Martens continued: "Your Majesties, we know how much you and your predecessors have always endeavored to have the dignity of each individual respected in the country and in the world. Throughout its relatively short existence, Belgium has welcomed all those who have been forced from their country because of their convictions; they have found in our country the human warmth they needed so much.

Thus, the government feels that it must perpetuate this noble tradition of hospitality, at a time when so many people are obliged to flee their country. It plans to make a special effort in this area in 1980, a year of special significance for Belgium.

I wish to express to the King all our appreciation for the loyalty and high-minded way in which he carries out his delicate mission during the difficult times in which we live."

#### The King's Reply

The king then spoke to the highest authorities of the country:

"I thank you, my dear Prime Minister, for your remarks. I attach even more importance to them since, as head of government, you have shown a spirit of understanding and reconciliation, and set an example of energy and a sense of responsibilities.

The Queen and I extend to you, the other members of government and all here present, our best wishes for a joyous Christmas and a happy new year.

But I also address myself today to all our compatriots, compatriots whom you represent in various capacities.

I want to tell them and you that this year, more than ever, I was looking forward to this moment to extend to you a message of peace and understanding in these days of heightened tension in the world.

We are surrounded on all sides by causes of real, often grave concern.

This is true about maintaining peace and establishing a better international balance: several crises have broken out and we are not always

sufficiently aware of them.

This is true of the opposing interests within the European Community and those which will darken its future.

This is true of the anxiety also existing within the country. Although I have just put special stress on the seriousness of the international situation, this is not to diminish the importance of our own problems, nor to relegate them to a secondary position in our concerns: it is because today, as in no period in history, each event in the world affects us.

Everywhere, then, community life seems difficult to sustain.

Thus I cordially urge all of you, each and every compatriot, wherever they speak out and act, to exert their influence for reconciliation. May they loyally endeavor to recognize what is legitimate in the viewpoints of those who, far or near, support differing or opposing interests. I ask it of the Belgians abroad and those, so numerous in our country, who are interested in the international order.

Their voices can and must be heard when speaking in favor of human life and dignity, wherever they are threatened. Their action will not be in vain when it leads to a more equitable sharing of the benefits of progress.

I urge you to be equally attentive about our country. Understand and respect legitimate community and regional aspirations. Help to carry out the necessary institutional reforms. Help those who have duties in the new institutions.

At the same time, let us remember that the constitutional reform does not involve any clauses which guarantee the union of the Belgians and which brings them together in an independent, sovereign state. Our political leaders' determination corresponds, we know, to the deep feeling of the great majority of our fellow citizens.

Thus it is very important that all of us who have responsibilities at the national level speak and act primarily as the representatives of all Belgium when they deal with common interests. This is also the king's duty and for 28 years has been my primary concern; the monarchy never has had nor has any other meaning than to embody our union, in the various forms that this union has assumed in the past as in those which it is in the process of taking today.

Finally, I urge everyone to determine what he personally can do, so that in the distribution of labor, there may be more opportunities for young people; so too that at this time when economic growth has been slowed, our fellow citizens suffering the greatest disadvantages may be given preference.

The community and the public sector can not do everything. If each of the some 10 million Belgians asked himself the questions I have just mentioned, if he endeavors to make a personal contribution, we will have reduced our reasons for concern, our participation in Europe and in the world will be more satisfying and, for all of us, the year which is beginning will be happier, to the degree that we show constant, mutual concern for each other.

Then, the true meaning of the 150th anniversary of national independence will be revealed. In celebrating it, we will certainly remember the path traveled. But we will turn especially toward the future by assuming full responsibility for the changes which are taking place and by strengthening our solidarity.

The Queen and I extend these wishes to each and every one of our fellow citizens with affection and hope."

9479

CSO: 3100



## COOLS DISCUSSES PROBLEMS FACING SOCIALIST PARTY

Brussels SPECIAL in French 13 Dec 79 pp 15-18

[Interview granted by Andre Cools to Francis Monheim: "How to be Andre Cools"]

[Text] Several years ago, in the course of an "American Style" campaign, in the course of the French presidential elections, Tfl and Antenne 2 made a film on Francois Mitterrand, the boss of the French Socialist Party. The film's title was, "Some call him Francois."

In Belgium, everyone calls him Andre: whether militant socialists, their political adversaries, party officials, ushers in parliament, or journalists. Andre is the boss of the Socialist Party (French speaking, of Belgium).

Andre Cools is 52 years old, a socialist deputy since 1958, mayor of Flemalle (in the Liege area), former minister of budget and of economic affairs, former vice prime minister in one of the Eyskens cabinets, last copresident of the PSB-BSP [Belgium Socialist Party], with Willy Claes, and president of the Socialist Party.

Actually, Andre Cools is not well known. Could it be because of his angers, some now famous fits, a few hurtful formulas known to himself only, the air of "godfather" he assumes in Christiane Lepere's Sunday telecasts, or a cynicism which could become lashing?

Whatever the case, this image is inconsistent with Andre Cools' real nature. He is a paradoxical person, for this real tough guy is very sentimental; this intransigent militant is ready to engage in a dialogue; this passionate speaker is an interlocutor who knows how to listen; this charger is with a heart of gold; and this tribune is a statesman.

That is why I asked him how to be an Andre Cools.

He received me one evening after a particularly harassing day: the day which the Party Council had dedicated, that Saturday, to discuss the problem of the deployment of missiles.

The background was the following: the Socialist Party headquarters, Boulevard l'Empereur, entirely deserted at such a later hour.

For two hours Andre Cools answered my questions quite calmly, all of them.

Allow me to present this interview in the first person singular. This is neither for the sake of being obliging or appearing familiar, but, quite simply, for the sake of the truth.

Francis Monheim: Is the Socialist Party not going through a very severe crisis currently?

Andre Cools: Presently all political parties and, in general, all social and economic movements are experiencing major difficulties.

The crisis is terribly destructive and, naturally, the Socialist Party cannot avoid it.

This crisis affects in particular the youth of this country, as of all European countries. This youth, while challenging ever more strictly the structures of our society and our economic system, claims to be more and more "socialist." Yet, at the same time, it refuses to acknowledge the socialist party as the best manifestation and best means for achieving the socialism it wishes.

This is due to general reasons: Over the past decades society exacerbated egotism and individualism; yet, the collective nature of a party such as ours is fully consistent with this need for individuality.

Furthermore, it must be acknowledged that the Socialist Party does not have a systematic policy for welcoming the young; it does not have an automatic school recruitment area as the PSC [Christian Social Party]-CVP [Social Christian Party]. Why not admit it? In my party, as in others, one tends to live within oneself, as it is easier and more comfortable to refuse to open oneself up to others who do not systematically share each one of the party's theses.

That is why we have planned that 1980 will be the year in which our means and methods will be reviewed.

F.M.: How?

Andre Cools: With an offer for an open discussion addressed to anyone who would like a change. For I am convinced that the Socialist Party could be the best rallying point for such forces of progress.

F.M.: Are we not seeing, currently, an assertion of various strengths within the Socialist Party?

Andre Cools: The current crisis has triggered not the surfacing of trends which have always existed but they're crystalizing. Why am I saying that such trends have always existed? Because this is the very essence of the Socialist idea: We do not wish to force everyone to think the same thing on each subject but call upon the freedom of conscience and of speech. A truly democratic agreement can be achieved only to the extent to which these two freedoms are respected.

Furthermore, let me specify that, as far as I am concerned, I consider that such trends have not only the right but the duty to express themselves. Naturally, I believe that they should begin by exercising this right at all party levels rather than outside the party. Yet, I note, of late, that some comrades have acted differently. I find this to be as absurd as it is regrettable.

F.M.: Have you not yourself been "sanctioned" by the party for having abused your right to follow a trend?

Andre Cools: It is true that I was "sanctioned" together with Terwagne and Hurez. If I remember well, we were suspended for three months from the party parliamentary group. In the 1960's the discussion was based on the consequences of the uniform law and, specifically, the law on maintaining order. At that time my friends and I promoted major strikes and that is why we were "punished."

However, I would like to emphasize that my friends and I had waged a long fight within the party in the hope of persuading our comrades before deciding to express ourselves through lack of discipline.

F.M.: Does the Socialist Party of today not face precisely more difficulties of the same kind?

Andre Cools: Difficulties of this kind always appear when the party is within the government. Let me remind you that our "removal" dates from the period of the Lefevre-Spaak government.

In a country where all governments are coalition governments it is evident that no one among them could ever implement the entire program of each of its components. The governmental program--that of the present government, as that of all the others--was, therefore, necessarily an average of the programs of the parties within the coalition. It is evident that each member of each of these parties could consider that one or another stipulation of this governmental program does not agree with the program of his own party.

F.M.: Quite frequently you have expressed your trust in the Martens-Spiraels government and you have even stated that you would never again accept to negotiate the formation of another cabinet. Why?

Andre Cools: Let me say first that this would be unthinkable at a time when people want to split Belgium into regions, that the first party of the French-speaking community, i.e., the Socialist Party, would not be a candidate for the government and that an attempt might be made to prevent it from taking over.

F.M.: You are not exactly answering my question. May I remind you that in a SOIR editorial, on 5 December, you wrote that, "This is a last warning, a final effort on the part of a party and a man who have attempted everything possible, in good faith and good will, in the face of a succession of tricks and of duplicity committed by others." This is obviously aimed at the CVP and it means that you are no longer willing to negotiate the formation of another cabinet. . . .

Andre Cools: Do you want to know why I wrote this? Simply because I believe that it is no longer possible to imagine, after everything that has been tried, planned, and rejected, to imagine yet another governmental agreement which would respect the balance between the legitimate aspirations of the three regions and the two communities in this country. Unless, naturally, we accept in advance, something I refuse to do, a solution meaning the defeat or victory of either one.

F.M.: You also wrote that, "The Socialist Party will do everything possible to maintain the solidarity among the French-speaking parties of the majority." Why this insistence on defending this solidarity?

Andre Cools: Precisely because the solidarity of the French-speaking parties is the only means for attaining this balanced agreement I mentioned. I note that the current coalition is legitimately in the majority in Brussels, in Wallonia, and the French-speaking community. I also note that no other coalition would be mathematically possible. Naturally, saying this, I would not like to prejudge the results of eventual new elections. However, I know that such an eventuality would represent an adventure which should be spared to the country at a time when the crisis has never been so severe as it is now.

F.M.: You are frequently depicted as being the main promoter of the French-speaking Front. You are even blamed for this by your own political friends. . . .

Andre Cools: I shall answer like Fernandel in "The Schpountz:" "I do not know who placed a package of anchovies under the gasoline faucet." Let me point out, however, that this solidarity is more necessary than ever in the face of a Flemish front which currently goes beyond the mere

community aspects of the state reform and which supports amnesty or the payment of damages which "would be owed" to those wanting in civic virtues!

F.M.: Let me go back to a question which obsesses me: Do you really think that Brussels, while being a region within itself, is a region "like any other?"

Andre Cools: No one objects to the fact that being the capital of Belgium and of Europe has imposed upon Brussels particular obligations, the more so since it is a region in which French-speaking, Flemish, and Wallon live together. Having said this, let us admit that economic and social problems may be looked at differently in Brussels than in the other parts of the country. The population structure in Brussels and its origins have made it necessary for the people of Brussels to take into consideration their specific sociological realities.

I note, actually, a fact which seems to me essential and must be noted: the extraordinary assimilation capacity which Brussels has. Everyone knows Flemish or Wallon people who have come to live in Brussels and who, even not being a second generation, felt to be strictly citizens of Brussels. One of the explanations for the Flemish revolt is precisely the fact that Flemish people who had come to live in Brussels were quite quickly becoming native and could not even recall their Flemish origins. . . .

F.M.: The Flemish answer to the French-speaking people who say that Tindemans would like to set up a CVP state in Flanders, that Cools would like to set up a socialist state in Wallonia. What is your answer?

Andre Cools: Let me say first that I believe that the FDF [Democratic Front of Brussels French Speakers] would eventually become an epiphenomenon providing, naturally, that we succeed in accomplishing the state reform. I believe that at such a time the members of the FDF would join their original families, perhaps changing them, for their joint struggle is such as to help to suppress some "anti-Brussels" preventive measures which are still found in parties considered traditional.

However, I respect the choice of the Brussels voters and, therefore, I cannot ignore the fact that the FDF represents currently--I emphasize this--the majority of the Brussels population.

As to the CVP state in Flanders and the Socialist Party state in Wallonia, let us note a fundamental difference: The closer the CVP gets to this absolute majority, the more the socialists must find partners in order to collaborate properly.

Let me add that, while wishing the unification of those who live through their work, going beyond their philosophical or religious affiliations,



I also would like to see the creation of a Wallon executive which could not ignore the fact that most Christian workers still trust the PSC. This philosophy, which I share, is, therefore, the opposite of that of the "Popular Front" which is being waved around tirelessly to frighten public opinion. According to some, such a popular front would be "my supreme thought" or "my only obsession."

Yet, let me point out that in terms of the statements made by one Van Rompuy, the young ayatollah of the CVP, what I propose seems to me to be far more conciliatory and, in any case, far more pluralistic. For the disciple of Leo Tindemans has rediscovered the slogan of "Alles voor Vlaanderen, Vlaanderen voor Christus" (Everything for Flanders and Flanders for Christ), which should worry somewhat the free thinkers, liberals and socialists within the Flemish community.

F.M.: How do you explain the retreat of socialism in Portugal, Great Britain, and Sweden? How do you explain the fact that the French Socialist Party was unable to impose the "common program" in the face of the French right?

Andre Cools: I shall answer you with a thought expressed by Mitterrand himself: "When the rich are threatened the poor become frightened and, in the state of crisis experienced by Europe, the right appears to provide greater security, even in the eyes of its own victims, compared with the left. . ."

F.M.: You have always claimed that you were ready for dialogue. Others, even within your own party, say the opposite, that you are irascible and intransigent. Your political opponents claim you are an intractable individual. Once and for all, could you tell me who is Andre Cools?

Andre Cools: Very simply: One illiterate grandmother; two grandfathers who spent between them 80 years as underground miners; one of them was Flemish, hence my name; a mother who was a saint but strict; a father who was the victim of his perpetual rebellions, a metallurgical worker and a militant trade union member, dead at the age of 36 in the Mauthausen (it was only three years later, when the liberation came, that I learned of this murder); early youth spent in the 1930 crisis; an adolescence whose only playground was People's House; five years of misery and concern, like so many others, in the 1939-45 war; the life of a militant, since 1945. All these elements, which eventually make up a life, will never allow me to forget everything I owe to others. However, all these elements also gave me a visceral need to return any received friendship. That is why I wanted to do by assuming my responsibilities, every time I was able to do so, and every time I had the opportunity. This is in terms of the workers, naturally, but also, going beyond social classifications, toward anyone who needs a little bit of human warmth in a cold world.

## CIVIL DEFENSE SCHEME CONSIDERED INADEQUATE

## Civil Defense Chief Interview

Brussels LA LIBRE BELGIQUE in French 19 Nov 79 pp 1, 18

[Article by J.N.: "Civil Defense, Do You Know Anything about It?"]

[Text] I. Belgian Unpreparedness

The Soviet Union is going ahead with installation of 1,200 SS-20 rockets, with triple warheads guided separately to the target, and launched from a mobile platform. Brezhnev "declares solemnly that the USSR will never use nuclear weapons against those countries which renounce the production and acquisition of such weapons and which do not have any on their territory."

Furthermore, the installation of nuclear missiles on Belgian territory is being considered.

We have therefore considered this a suitable time for an up-to-date review of the policy adopted for protecting the Belgian population in case of conflict.

Actually, we have been content to "photograph" the situation as it stands at present. Any attempt to evaluate the probability of a conflict is obviously out of the question. While the risks in this regard can presently be considered low, they are no less real.

This should not lead to exaggeration of the potential dangers of war, whether localized or major. It should be kept clearly in mind that the approach that consists in looking ahead to an extreme hypothesis and its consequences does not create the hypothesis and does not make it any more likely to occur, just as taking out a fire-insurance policy does not mean that one anticipates a fire, in either the immediate or the foreseeable future.

In order for an examination to be complete, account must be taken of the additional expenditures that will be entailed by the launching of a pro-

gram of private shelters (considered by the experts as the keystone of properly conceived civil defense). Is such a program absolutely required? What budget should it have? What type of shelter should be considered? Will the shelters be obligatory? These few questions give a sufficient idea of the complexity of a subject which touches all aspects of daily life.

To make an up-to-date review of this important and complicated question, no one was more suitable than Mr Caussin, inspector general of Belgian Civil Defense.

His responses are frank and forthright, and in this he conforms to a fundamental principle of civil defense: inform the population correctly.

Mr Caussin first remarks that Belgian civil defense arouses the admiration of the foreign organisms by its excellent equipment, the provision of which will be complete next year. He also points out that our 900 service is unique in the world and that it too excites envy.

"Apart from these elements which are used in peacetime but which will serve in time of crisis, the policy of civil defense is to acquire now the equipment which it will not be able to procure by way of requisition in future," Mr Caussin further states.

Generally speaking, civilian Belgium, as regards wartime, is not in the running. Judge from this:

- shelter policy: nothing;
- gas-mask reserves: none;
- public information: nothing;
- siren alarm system: incomplete;
- shelters for mobile columns: nothing;
- evacuation plans: in progress;
- raw-material reserves: oil, yes; others, nothing;
- emergency hospitals: beds needed, 250,000; existing, 70,000;
- concealment plan: nonexistent;
- civil-defense volunteer corps: 9,000 men.

This catastrophic situation has become so flagrant that, in particular, spurred by Minister of Interior Gramme and Minister of Economic Affairs Claes, the departments concerned are presently carrying out crash programs to catch up on our incredible lag. Thus, while there is concern about certain components in the defense of our population, there is not yet an overall policy.

What Is Expected Immediately?

While Mr Caussin does not hesitate to recognize these "deficiencies," he also stresses the leanness of the annual budget for Belgian Civil Defense: a total of 1.19 billion for personnel, operations and investments. This is

to be compared with the budgets for National Education (300 billion), Public Works (180 billion), Communications (64 billion).

Nevertheless, according to the inspector general, Civil Defense is not inactive:

--siren alarm system: all the large population centers are covered, and the rural zones are being completed at the rate of 50 installations per year. All of the country's sirens will soon (in 1981) be operable from the national headquarters in Walem. They can also be used on the provincial or local level;

--command posts: all the provincial command posts are underground except for the one at Hainaut;

--communications: all the provincial posts are connected with the Walem fort by a double telephone and telex network. In 1981, these connections will be supplemented by a radio network. The creation of a "Government Telecommunications Network" (REGETEL; cost, 1 billion) should be decided on shortly. This is a protected-communications system which will provide for the top-priority communications among some 3,000 users in time of crisis or conflict;

--public information: a brochure is presently being prepared and should be available before the end of the year;

--evacuation of the population: while nothing is actually provided for, this is quite simply because it would serve no purpose to evacuate the majority or all of the population, in view of the small size of the territory: where would they go except out of the country?

But in this regard, studies are in progress, and, it is said, well-advanced. Nevertheless, it appears that it is preferable in most cases to remain in place, unless there are orders to the contrary. Only evacuation limited in time and space is conceivable. The official philosophy is to keep the population in place. But in that case, one must be able to take shelter. It is here that the total absence of shelter for the population is felt especially keenly. And why have a system of sirens if the population, when duly warned, cannot take shelter?

If tomorrow...

Among the various scenarios imaginable, that of a widespread surprise air attack is, of course, the most painful to envision. It is also highly improbable. Even so, we have tried to conceive what such a situation would be like in Belgium, even if the attack were not necessarily an atomic one.

The decision centers, the port, administrative and industrial centers, as well as the key points in road, rail, river and telephone communications

would be razed. Any means of rescue which, by chance, escaped the bombs would be overwhelmed. The remaining hospitals would be swamped and could not operate usefully, mainly for lack of personnel. Fires would rage in all the urban centers. Explosions in petrochemical plants would annihilate whatever escaped the bombing, and the toxic clouds from them would kill at least 100,000 (to our knowledge, a single plant would kill 30,000 to 40,000).

In a period which can be estimated at less than 24 hours, Belgium would be wiped off the political, economic and, quite simply, human map. At best (and mainly in Luxembourg), only a population varying between 300,000 and 1,000,000 would survive, and it would have neither communications nor food nor services nor education nor skilled personnel. Looting and anarchy would take over rapidly: the surviving gendarmes would be swamped, not having the necessary material means (vehicles, fuel, weapons, food, etc).

Our army, stationed principally in the FRG, would be engaged, of course, but it would doubtlessly be affected less than the population whom it is charged to defend. But after such a blow struck in its rear, one may have doubts about its will to fight, or worse, about the very justification of a fight.

Let us add another element, a rather odd one: our nuclear power plants would doubtlessly be intact, since they can resist even a direct hit. They would thus be able to continue producing electricity which even the survivors would not be able to use, for lack of transport lines.

Nevertheless, the national headquarters of Civil Defense would still be capable of giving instructions to the provincial command posts, which will have no capability other than to receive them, since men and equipment would have been annihilated.

This scenario may seem a fiction, yet it is what could happen in Belgium if tomorrow....

#### Relax, It's a Waltz (of Bombs)

Of course, this apocalyptic hypothesis has very little chance of occurring in reality. And this is fortunate. Nevertheless, the present technical means make it not only possible but also materially feasible right now.

Fires in department stores are statistically nil, but when there is one, it can kill hundreds of people (in peacetime).

In Belgium the existing installations of the fortified positions of Antwerp, Liege, Namur and Huy could be reactivated at little cost. Likewise, certain mine shafts could be rapidly readied both for the population and for crisis-time general staffs, as emergency centers, and for storing food and equipment.



In any case, would the Belgian population have time to get into any shelters available?

Everything depends on the form the attack takes. It can be presumed that it would probably be preceded by a period of international tension.

In such case, it would be possible to alert the population; but this would make no sense, since there is no possibility of protection.

But if an alert could be given, 60 percent of the population could survive if it had shelters available. If the population were in shelters, the survival rate would be 90 percent.

Finally, it makes no sense to spend money for national defense if the population is not capable of surviving. Why would the armed forces fight to defend a cemetery? Just think that at present, it would be sufficient for "someone" to tell us, "Lay down your weapons or we will atomize Antwerp," and the army would capitulate without firing a shot. Such blackmail, which could be terrorist, would be less probable if Belgium had shelters and a civil-defense system.

Taking the Swiss estimates as a basis, it can be considered that 1 percent of the Belgian federal budget (that is, 11 billion) would make it possible to build 90,000 shelters per year, or protected places for 1,200,000 persons.

In 10 years, then, our entire population would be sheltered, not only from conventional or atomic bombardment but also from most other catastrophes: tornadoes, explosions or dangerous emanations from petrochemical complexes, civilian nuclear radiation, terrorist blackmail, etc, and all these events can occur in peacetime.

Finally, it is said that periods of economic crisis call for large-scale public-works programs.

With a minimum budget (even 0.5 percent would suffice) in government subsidies, the construction sector could perhaps find renewed strength, at least partially.

In addition, it should be considered that the governmental budget would be multiplied by a certain coefficient, since the state would, as in other cases, subsidize only a part of the cost of the shelter. The balance would be paid by the citizen.

Moreover, why not follow the FRG example, where the costs paid by the private citizen for providing shelter for himself are tax-deductible?

Indeed, depending on the ways in which a government program were carried out, the number of people put to work could vary from several thousand to several tens of thousands.

## The Cost of a Shelter

First of all, the protection expected has to be defined. The difference between and FRG and a Swiss protected place can be explained mainly by the degree of effectiveness offered.

On the basis of the Swiss figures, which are the higher, one notes that a private protected place costs 21,000 FB [Belgian francs]. Until a short time ago, 70 percent of the additional cost entailed by the shelter was subsidized by the public authorities. According to the federal standards, no shelter may have less than 6 square meters. The total cost is thus 126,000 FB.

## List of Belgian Shelters

- Apart from three shelters for works of art, it seems that one such shelter exists in Antwerp and another in Bruges.
- Belgian Civil Defense has a headquarters at Walem, but work remains to be done on it. Most of the provinces (eight out of nine) have underground command posts.
- The general staff has a "protected site" in Belgium; it is top secret.
- The bunkers of Hitler and Goering at Bruly-de-Pesche (private property). Hitler's shelter can be visited.
- A shelter is under construction for the firemen of Brussels.
- There is still an old underground military hospital almost opposite the Hal gate in Brussels.
- The government itself has no shelter (in this regard, therefore, it shares the fate of the population).
- Even the royal family would have only an old bunker available (in what condition?), dating from the German occupation.

A total of 19 shelters, none of which is accessible to the population.

## General Close Interview

Brussels LA LIBRE BELGIQUE in French 20 Nov 79 pp 1, 16

[Interview by J.N. with General Close, chairman of National Commission on Problems of Defense; date and place not given]

## [Text] II. The Opinion of General Close

General Close's book, "Europe without Defense?," has left no one indifferent: commentaries poured out of Moscow, Paris, Washington, Peking, London, Bonn.

General Close, named chairman of the "National Commission on Problems of Defense," is not a blase man. When one talks with him about Belgian civil defense, his eyes light up, his moustache bristles, he growls with indignation.

"The civil-defense situation in Belgium is simply catastrophic. We are at such a point that the billions spent for national defense would be largely useless if our enemy decided to use not even his nuclear means but simply his conventional means on a large scale. It has to be kept clearly in mind that a combat soldier has equipment, of course, but also a heart--that is, a morale. What state would the morale of the Belgian armed forces be in if the country were razed?

"While sacrifices can be asked and made for the defense of one's own, by what justification can you make men get themselves killed to defend a gigantic necropolis?

"To give an example, do you know that the commission which I chair did not hold a meeting for 7 years (from 1968 to 1975)? By way of comparison, the analogous Swiss committee meets once a month. This example gives a precise idea of our degree of preparedness and, it must be admitted, of the interest which politics takes in the survival of the country. Now according to our Constitution, the powers emanate from the nation, which under our system expresses itself through its elected representatives. But no one is concerned with solving, now, the crucial questions which a state of international crisis could create. But at such time, it will be too late.

"The commission has no other mission than to propose one attitude or another to the government. It is up to the government to agree or refuse to go into one program or another that it considers good, with the expenses that the program entails.

"Even so, we are doing excellent work, and our organization is functioning at full output. To be correct, it must be admitted that if our commission is working relatively fast, it is because of the fact that we have the benefit of the experience of other countries far more advanced than we. We are at least 20 years behind."

#### Total Defense

"The new concept of total defense is nothing other than integration of military defense with the civil, psychological and economic defense of a country. But naturally, in order for integration to be possible, it is necessary for these elements to exist, which is not the case in Belgium at the moment.

"Actually, and in order of importance, here is what should be done in Belgium:

- ensure the continuance of governmental authority (the provincial and communal authorities being included under this term);
- provide for the economic defense of the country;
- ensure the protection of the civilian populations;
- prepare the psychological defense of the nation.

"This program would make it possible to reestablish a certain equilibrium.

"Thus, if the recent SALT II agreements can be considered a good thing, they lose all their interest and value for us Belgians to the extent to which our population is not at all protected. The principle of deterrence is, in effect, to propose a credible defense.

"How could an enemy consider our armed forces credible when the population is vulnerable to any strike whatsoever?

"In fact, it can be considered, from the military point of view, that the entire Belgian population could serve as a hostage. The questions raised by civil defense are of an incredible complexity and concern every aspect of a country's activities. For example, there is the legal fiction of wartime which does not make it possible today, for lack of an adequate law, to take the timely necessary measures, foreseen and known, such as requisition of vehicles or personnel when the time of crisis comes. What can be said, then, of the theoretical exercises which, poorly analyzed, can increase the feeling--a false one--that everything has been planned for?

"The unpreparedness of our civil defense is known in the government circles, and some are concerned about it. Nevertheless, talk about it is avoided, because it is thought that it would scare the people. But what should scare them the most--the fact that nothing exists for protecting the population, or the fact that nothing is being done to catch up on our lag?

"It is not a matter of developing a feeling of panic in the population. But neither should we delude ourselves about our possibilities and our means.

"Actually, a fire does not start because one talks about it, but rather because one did not talk about it in time--in other words, because one is not prepared for it, on the assumption that it happens only to others.

"A fundamental element in this regard is obviously that the public be correctly informed, and we are far from having done this. How, then, can the public be asked to have a detailed opinion in so complex an area?

"Before long, we will make specific proposals to the government. It will sooner or later have to make an important decision--does a real civil-defense policy have to be adopted, yes or no? The time seems economically

appropriate to us for launching a national program of shelter construction: we have economic crisis, and our highway facilities are almost complete. Why not devote a part of this big budget category to protection of the population? The sooner our decision is reached, the sooner we will see the result; indeed, the research and development phase has to be estimated at about 2 years."

11267

CSO: 3100



## GENERAL CLOSE WARNINGS ON SOVIET NUCLEAR THREAT

Brussels LE SOIR in French 12 Dec 79 p 5

[Text] On the eve of the major decision to be taken by the Atlantic Council regarding European strategic defenses, nobody other than General Close, (whose warnings are clear and analyses precise) was qualified to translate reasons for concern and to describe the necessary security measures.

It was predictable. As with the neutron bomb, Soviet propaganda is working on convincing European opinion that it is unreasonable if not senseless to have means for a credible defense.

In a supremem paradox, we are told that by attempting to restore a very precarious balance of forces we will attract nuclear retaliation from the Soviet Union in the event of a nuclear conflict.

Why such menacing language? Have we become such a negligible quantity that it is possible to forget that one attribute of sovereignty resides in the right to choose one's own defense policies and the means needed to achieve it?

In this general context, it is quite regrettable to see that a party president, charged with considerable political responsibilities, takes upon himself to inform people of the Flemish socialists position concerning modernization of European strategic nuclear armaments, resting on false arguments with no relationship to reality.

Karel Van Miert (the president in question) should gather a minimum of information before entering nuclear strategic politics, and this to prevent looking ridiculous, or--worse--definitely engaged lacking basic objectivity.

Let's see what this is all about. The first paragraph of the "Tribune Libre" in LE SOIR 23 November gives the tone. No, Mr Van Miert, it is

not a question of pretense of modernization of nuclear armaments, but an actual modernization. The Pershing I, installed more than 12 years ago, is completely outmoded in terms of technology and reach, and thus useless in fulfilling a dissuasion role.

There lies the real problem.

Dissuasion consists of having the means and the will to inflict on an eventual enemy damage so grave that there is no possible comparison between the risk taken and the expected benefit.

But how can there be dissuasion in Europe if we cannot reach the Soviet Union and are consequently incapable of striking the enemy at home in case of a direct threat against our territory?

If we refuse to modernize by way of cruise missiles and Pershing II, we are totally dependent on the enemy goodwill, at the mercy of all political blackmail. Only extreme naivete would let anybody get caught in this game.

What should we think about "miniaturization," which would give more probability to a limited nuclear conflict?

Alas, sir, "miniaturization" which you seem to have just discovered, was originated in the 1960's, when technology permitted the adaptation of nuclear warheads of reduced strength to strictly tactical armaments.

Your argument on "limited" nuclear conflict is consequently beside the point.

And on the subject of American nuclear involvement in Europe, it is only in case of nonmodernization that it could be doubted--and not the other way around.

You seem to forget the 3000 American soldiers in Europe and modernization of TNF improve U.S. survival conditions, as well as those of Europeans.

What we have to fear is the boredom of Americans faced with unjustifiable reticence from people of your type, which would lead to the disengagement of the U.S. in Europe--which would be the biggest diplomatic victory for the USSR since the end of WWII.

As was said by Professor Pipes of Harvard University, "It will not be easy to live in the American fortress, but we will survive as we did in 1940 and 1941. You on the other hand, will have become slaves during that time."

However, we must consider one last argument, which is the USSR's concern to protect itself against a so-called threat from the West.

No, gentlemen from the Soviet Union, there is no offensive plan laid out by the Atlantic Alliance against the Warsaw Pact, and this by its own definition: the alliance is in essence a defensive one.

Reread your textbooks, ask any NATO generals and experts if, in the past 30 years, they have at any time had any wind of an offensive plan by the alliance.

But some prefer to talk about things they don't know anything about, and this becomes, consciously or unconsciously, an instrument of the most insidious Soviet propaganda.

It seems certain that with one of the best information services in the world, the Warsaw Pact countries are intimately convinced of the absence of a Western threat, which they don't stop mentioning in order to justify the senseless growth of their military potential.

On the other hand, what should we think of the USSR's increasing its wide track railroads from Poland to the demarcation line between the two Germanies; of its accumulating equipment to cross bodies of water; of its advancing logistical stocks as close as possible to western limits of East Germany; of its maintaining a military service from 24 months to 3 years (compared with 15 month maximum and 8 month minimum in NATO); of its relieving over 100,000 soldiers in a few days with the help of Aeroflot, and especially of its building up of an incredible stock of chemical armaments (maybe more dangerous than nuclear weapons)? In front of all this we are without any capable means of response, and without any comparable material.

Isn't it legitimate that we worry about all of this, when we unilaterally reduced our forces without even waiting for the hoped for conclusion of MBFR (Vienna Negotiations on Mutual and Balanced Force Reduction in Europe)?

The Soviets should remember, as they are so well informed, that Belgium itself reduced its combat forces by one-third in 1966, by suppressing each three brigade in each of its two divisions. Last year Belgium brought back home a whole division, which means that--without noisy propaganda and with surprising modesty--it reduced its forces by about 20,000 men in Central Europe. This equals the measures proposed by Brezhnev to the world, in ecstasy in front of this gesture of kindness!

It is time to relearn the language of "realpolitik" rather than live in vain illusions, like the ones which led to 1940.

A new similar catastrophe would be caused by those who contribute to constantly weakening our means of defense (even if they are led by good intentions).

Will they be tried one day, responsible for incalculable damages and for the loss of millions of lives, and will they say: "We had never wanted this..."

8924

C50: 3100

## BELGIAN-CHINESE COMMERCIAL CONTACTS IMPROVING

Brussels POURQUOI PAS? in French 13 Dec 79 pp 59-66

[Article by Jean Pourbaix: "Willy Claes in Beijing; Trade Between Belgians and Celestials"]

[Text] For some time efforts have been underway on the Belgian side to revive economic and commercial ties with the PRC. The reopening of diplomatic relations between our two countries in 1971 cracked the door open to a variety of initiatives, the first among which were the trip to China (April 1973) of a Belgian official mission led by Mr Kempinaire, at that time secretary of state for foreign trade, and the sponsoring of a Belgian industrial exhibition in Beijing (April 1975), which coincided with a visit to China by Prince Albert and Mr Toussaint, at that time minister of foreign commerce.

These initiatives, as well as those which followed them, had no immediate impact on the development of commercial and economic relations between China and Belgium. As we shall see subsequently, the impact was null in terms of our imports from China which remain an insignificant percentage of our purchases abroad: 0.15 percent in 1976, 0.1 percent in 1977, and 0.09 percent in 1978.

As to our exports to the PRC, they had remained very slow over a long period of time and it was only in 1978 that, suddenly, they jumped upwards, providentially, by 274 percent, compared with 1977, i.e., from about 1.7 billion to 6.4 billion francs. Another rise took place in the volume of our sales to China, which was far more moderate, however. In the first half of the year they totaled 2.9 billion francs compared with 2.7 billion in the corresponding period of 1978. Yet, we must point out that despite such progress, our exports to China also represent a minimum percentage of our total sales abroad: 0.12 percent in 1976, 0.13 percent in 1977, and 0.45 percent in 1978.

In a word, in terms of imports, trade between China and Belgium (or, more precisely, the Belgium-Luxembourg Economic Union) has never flourished, as confirmed by the following figures borrowed from the files of the Belgium Foreign Trade Office:

Development of Commercial Relations Between  
the Belgium-Luxembourg Economic Union and China  
(million francs)

Year	Belgium Purchases	Belgium Purchases
1950	71.1	143.3
1955	95.7	351.2
1960	493.9	2,228.0
1965	708.1	848.2
1970	529.6	1,143.1
1971	801.5	383.4
1972	1,024.3	549.3
1973	1,518.8	1,187.6
1974	1,792.8	1,347.8
1975	1,758.0	1,639.0
1976	2,031.5	1,560.5
1977	1,447.3	1,706.6
1978	1,402.4	6,387.6

The proper evaluation of these amounts calls for placing them within the overall context of the expansion of Belgian foreign trade over the past 30 years.

From 1950 to 1978 our total imports rose from 97.8 billion to 1 trillion 519 billion francs.

Again from 1950 to 1978 our total exports rose from 82.8 billion to 1 trillion 407 billion 600 million francs. These increases are the result of both the increases in the volume of trade and the price inflation.

Realistically, it would have been illusory to hope that it would be sufficient to let things develop by themselves for our sales to China to remain, in 1979, 1980 and subsequent years, at the same pace as that of 1978 which was essentially due to the massive delivery of 500,000 tons of Belgian steel and whose most obvious result, at least as seen by Beijing, was to open a breach of nearly 5 billion francs (to the detriment of the PRC) in the balance of Sino-Belgian trade.

Furthermore, this time looked through Belgian eyes, an (exceptional) volume of Belgian exports totaling 6 to 7 billion Belgian francs per year to a big nation whose purchases abroad have jumped from \$2.2 billion in 1970 to \$11.5 billion in 1978 (345 billion francs) has nothing particularly cheering.

That is probably what Willy Claes, vice prime minister and minister of economic affairs, determined in the course of his detailed and methodical organization, in close cooperation with Beijing, the "state visit" he



paid to China from 18 to 26 November, accompanied by an important galaxy of diplomatic, administrative, and private personalities.

Adequate means had to be employed to achieve the desired results.

Effective cooperation with China is conceivable only by granting that country the financing it is temporarily short of. As was pointed out by THE FINANCIAL TIMES, in a 20 August supplement dedicated to the social, economic, and political development of the PRC, in 1979 (until the day of publication of the study of this daily of this City) Beijing had signed credit conventions totaling approximately \$26 billion (780 billion Belgian francs at the exchange rate of 30 Belgian francs to the dollar), of which about \$3 billion (some 90 billion Belgian francs) were contributed by commercial banks of Western countries.

This system was followed by the Belgian delegation led by Willy Claes to Beijing in the first days of November. The principal merit of the "state visit" paid by Minister Claes and of all those who worked for its preparation and success, was to establish solid and realistic foundations for a fruitful cooperation between Belgian and Chinese interests.

#### Cooperation Agreement, Credit Agreement, and State to State Loan

The signatures which were exchanged between the Chinese and the Belgians mark the reaching of agreements of very great importance, which we could no more than merely summarize here:

- A basic agreement entitled "Agreement on the Development of Economic, Industrial, Scientific, and Technological Cooperation," valid for a five-year period.

In terms of economic, industrial, and technological cooperation, the contracting parties acknowledge that such cooperation could be considered on the basis of reciprocally advantageous conditions in the following 11 sectors which, however, are only a partial list:

1. Extracting industries;
2. Ferrous and nonferrous metallurgy;
3. Communications, transports, and equipment for same;
4. Production of electric power and use of low caloric fuels;
5. Electronic technologies;
6. Agrochemistry, soil reclamation, development of pesticides;
7. Petroleum and petrochemical industries; photochemistry;
8. Glassware industry;
9. Food industries, including sugar refineries, oil extraction plants, and breweries.
10. Textile industries;
11. Machine tools, diamond head tools, welding materials, and all types of mechanical structures.

On the financial plan a basic agreement was concluded between the Bank of China (Beijing) and the Societe Generale de Bankque and the Bankque Bruxelles Lambert, for a credit of 5 billion Belgian francs for a five-year period, bearing a 7.5 percent interest rate. The purpose is to finance Belgian exports of equipment and services to the PRC.

On the other hand, the Belgian government suggested to China, which accepted, a state to state loan of 300 million Belgian francs from the treasury budget, renewable annually. "This is the first time," wrote one of our colleagues who has taken the trip to Beijing, "that a Western country is granting China a state to state interest free loan, thus representing a Belgian innovation in a contested area. Neither the United States, nor Japan, nor West Germany have done this so far and it is likely that the Belgian example will be quickly followed by Japan." Considering that the repayment is due in 10 years one can imagine, again according to the same observer, that such a loan could virtually total 3 billion francs, "and that, in fact, it is a gift, for the loan granted on the 11th year will cover the repayment of virtually the entire amount of the first year." (??)

In terms of specific applications in industry, an important result of Willy Claes's Beijing trip was to have taken out with him an order for two electric power plants developing 300 megawatts each, to be delivered in the relatively near future. This 6.5 billion franc contract will provide Belgian industry with six million hours of labor. It was concluded by Traction Electricite, ACEC, and Cockerill, in consortium with a French company (Alsthom) which will produce the turbines not produced in our country.

#### In the Area of Possibilities

In a meeting with the press which took place on his return, the minister of economic affairs pointed out that the contract dealing with power plants opened the door to the making of other deals. Willy Claes mentioned, specifically, the following:

- A plan for the exploitation of a zinc and lead deposit;
- A plan for telecommunications involving Bell Telephone and the ATEA. The latter would deliver, on an experimental basis, two types of exchanges and China would choose one of them and place a big order.
- In the field of port construction and management, Beijing showed great interest in a Belgian participation in an international consortium whose task would be substantially to improve the country's port infrastructure.
- In textiles, negotiations are underway with the Picanol (manufacturing of looms) and the UCO (a cotton group) enterprises.
- Finally, Bekaert is interested in a joint venture with China for the production of machine wire.

It is logical that if, as everything indicates, Sino-Belgian cooperation, whose development is, actually, far from being completed, would meet the targets set by its promoters, in the years to come we would see not only a substantial increase in trade between China and Belgium but also their complete restructuring.

#### Ending Monolithic Exports

In a memorandum issued (for the Belgians) by the authorities of the PRC, dated 1 September 1979, we find the relatively accurate observation according to which "supplies offered by the Belgian-Luxembourg Economic Union are characterized by a severe lack of diversity; three groups of merchandise alone account for Belgian-Luxembourg sales" to China.

In effect, looking at the detailed statistics published by the Belgian foreign trade office, we are quite startled to discover that the 6 billion 388 million francs' worth of merchandise exported (as a result of extremely rare and nonrecurrent circumstances) by Belgium to China in 1978 may be broken down as follows:

- 499,738 tons of "ordinary metals and commodities made of such metals" (Section XV of the nomenclature), totaling 4 billion 170 million francs, 1 billion 791 million of which steel sheets;

- 133,913 tons of "products of chemical and related industries" (Section VI) worth 1 billion 325 million francs, of which 643 million worth of organic chemical products, and 510 million worth of fertilizers.

These two items alone--ordinary metals and chemicals--account, therefore, for 86 percent of the total value of goods we exported last year to China.

Furthermore, in terms of Belgian imports from China we come across a curious paradox: a very great diversity (unlike the case of Belgian exports), paralleled with a very low trade figure. This leads the authors of the Chinese memorandum to the following hope that everyone in our country would share: "The range of products supplied by China is quite broad. This already presumes a good presentation of a large number of Chinese articles and, on this basis, a possibility for rapid advancement the moment the offer is made for increased quantities of goods."

5157

CSO: 3100

## CANADA

### RESULTS OF POLL ON QUEBEC REFERENDUM ANALYZED

Quebec LE SOLEIL in French 24 Dec 79 p A 6

[Article by Claude Beauchamp: "The Only Unknown: Mr Ryan's Constitutional Proposals"]

[Text] Just a few days after the Levesque government presented to the National Assembly its draft of the question on the constitutional future of Quebec, nearly 84 out of 100 adult citizens of Quebec, according to a scientific poll, know how they would vote on the referendum if it were held now.

This means, then, that the referendum debate will mainly consist, for the Pequist government, whose proposal is currently approved by only 36.5 percent as compared with 47.2 percent who oppose it, of trying to persuade those already decided rather than attempting to convince the undecided. It is not necessary to insist on the scope of the task facing the prime minister and his collaborators when parliament reopens next March and during the actual referendum campaign which will follow.

A poll captures one moment in time, obviously, and since there is nothing static about the life of communities any more than there is about the life of individuals, the data gathered late last week by the IQOP [Quebec Public Opinion Institute] could change between now and next June, especially since a reformulation of the referendum question can not be ruled out.

The results of this express poll conducted for LE SOLEIL, nevertheless, confirm and extend the general tendencies seen in the scientific polls made prior to placing the referendum question before the National Assembly: most voters have already decided and the great majority reject the idea of sovereignty-association.

On comparing the current poll with previous ones, the only question that could arise is about the answers given to whether or not the voters would give the government a mandate to negotiate. In a poll published last year, more than 50 percent were ready to give such a mandate. The most recent poll, that of CROP [Public Opinion Research Center], broadcast by Radio

Canada last Friday evening, showed 41 percent saying yes to such a question.

How, then, can we explain that the government now has only 36.5 percent support when it asks: "Do you give the government of Quebec the mandate to negotiate the association proposed between Quebec and Canada?"

The difference is the reference at the very heart of the question to the "association proposed," an association succinctly explained in the preamble of the question. In other words, contrary to the charges of camouflage by Liberal Leader Claude Ryan, the referendum question--even though it contains the idea of mandate to negotiate--is very clearly perceived by the voters as having a bearing on the sovereignty-association thesis.

The results of the current poll emphasize other, already-known points, especially those relating to age differences. While 49.8 percent of the 18 to 34 year olds are ready to approve the Pequisté plan, their elders see things differently, with 34.5 percent approving in the 35 to 54 year age group and only 14.3 percent in favor among those 55 years of age and over.

Obviously, voters' behavior also divides along linguistic lines. Only 6.8 percent of the Anglophones support the Pequisté draft while the Francophones divide almost equally--42.5 percent in favor and 40.2 against.

Everything indicates that the referendum will not end the drama which is dividing the Francophone community of Quebec. The debate will go on well after next June.

Does this mean that the die are cast and the referendum debate will have no meaning or influence on a referendum vote? Paradoxically, the Liberal Party of Quebec, not the Quebec Party, has the answer to this question.

The only great mystery, in fact, still remaining in the referendum debate concerns the constitutional reform proposals promised by Claude Ryan.

If Mr Ryan's liberals present in their much-awaited document courageous constitutional proposals to increase Quebec state powers and advance the rights of the French language and culture, there is no doubt that Mr Levesque's Pequistes will have great difficulties winning over those not already with them.

On the contrary, if the Liberal Party of Quebec distances itself from the profound aspirations of the citizens of Francophone Quebec and is more half-hearted about its constitutional demands than the Quebec governments since 1960, or if the Liberal Party gives in to the strategic arguments of its federal brothers and does not present specific, in-depth constitutional proposals, many non-Pequisté nationalists will then feel betrayed and turn to the yes as the ultimate means of pressure on the rest of Canada.



## RYAN'S LEADERSHIP OF QUEBEC LIBERAL PARTY PRAISED, CAUTIONED

Quebec LE SOLEIL in French 6 Dec 79 p A 6

[Editorial by Marcel Pepin: "Mr Ryan's Leadership"]

[Text] When the Liberals of Quebec propelled Mr Ryan to the head of their party, they were looking first for a leader who could bring them quickly back to power.

Mr Raymond Garneau's long and honest service was recognized by most of the delegates at the leadership meeting. On the other hand, Mr Ryan's late arrival in the Liberal camp and the tribute he paid to the Quebec Party in the 1976 election should normally have been major obstacles to his election. Nothing of the sort happened, because Mr Ryan was perceived by a majority of the Liberals as being more in a position to give the government a hard time.

The events of recent months have borne out the Liberal Party members. The new chief did not waste a minute in starting to reform the party, in organizing grassroots financing to shield him from unwanted pressure, in clarifying the Liberals' constitutional opinions, and in breathing new life into his political organization, which has won seven consecutive victories in by-elections.

Also, when he was elected to the National Assembly, Mr Ryan soon showed himself to be an adept parliamentarian and able to hold his own with the best. His parliamentary and electoral victories have cast a spell of silence over the critics who doubted his political realism.

In the referendum battle he has emerged as the only credible spokesman for the federalist option, leaving more reticent parties far behind him, be they the National Union, the Democrats, or federal parties like the Social Credit Party or the Conservative Party. Only the federal liberals are in a position to give him any kind of competition, but the announcement of Mr Trudeau's resignation in addition to Mr Joe Clark's taking office are making things easy for the head of the PLQ [Quebec Liberal Party].

Although he is not participating directly in public administration, Mr Ryan already exerts an influence that exceeds by far that which is generally ascribed to the opposition leader. His remarks on the constitutional issue carry almost as much weight as those of the head of the government in the eyes of the federal authorities and the leaders of the other provinces, because outside of Quebec it is already taken for granted that the Levesque government will be replaced. That confers on the Liberal leader an authority that he seems very much aware of, and a responsibility that cannot always be turned into concrete actions.

He himself wrote in a remarkably lucid document entitled "Choosing Quebec and Canada," "Today's Quebec does not want to be satisfied merely to survive. It wants to live and grow. It wants to be recognized for what it is. It wants to express itself freely without having to apologize every time it says something different." The Liberal Party generally holds the same objectives as the party in power. It would be not only honest but also extremely beneficial to all Quebecers if Mr Ryan made that known more often.

His speeches lead us to believe, rather, that he is separating himself for eminently partisan reasons from certain policies whose purpose it is precisely to affirm Quebec's right to say something different. His criticism of Law 101, for example, concerning both schools and advertising, make it seem that he rejects the principle of the primacy of the French language, thus spreading the hope west of Quebec that the regime will be changed with the defeat of the Quebecer Party. In the short term, that may earn dividends for his party, but in the medium term it complicates the position of Quebec, because the Liberal Party is officially in agreement with these principles.

The same goes for his party's opposition to the nationalization of the Asbestos Corporation; it is difficult to determine whether the Liberal Party is opposed to it because it considers nationalization to be another manifestation of a nationalism that it disapproves of, or because its objection is based on economic considerations. The same goes for Quebec's representation abroad and for an economic policy for Quebec that is removed from the imperatives of a federalistic vision of the economy.

It is normal for the opposition to covet power and seize any arm at hand. But a long-standing tradition also requires Quebec to speak with a single voice on issues of paramount interest. Except for the sales tax issue, unanimity has been sadly lacking in Quebec for three years.

English Canada has taken refuge in a wait-and-see attitude for several months. Mr Ryan well knows this old Quebecer debaters' ploy. His responsibility, then, is to support the government if only to avoid giving rise outside of Quebec to the hope that Quebecers have an incurable tendency to divisiveness and that this will put an end once and for all to the hopes of a whole society. He would be the first to regret it.

## RYAN'S ATTITUDE ON QUEBEC REFERENDUM CRITICIZED

## Mr Ryan's Reaction

Quebec LE SOLEIL in French 22 Dec 79 p A 6

[Article by Marcel Pepin]

[Text] As Prime Minister Levesque confirmed during an interview with LE SOLEIL yesterday, it is very unlikely that the principal political parties will even agree on the objective value of the referendum question, let alone on the interpretation of the results, whatever they are.

Mr Levesque attributes this deplorable situation to the intransigence of his opponent who systematically refuses to come to terms with the government in this debate, while the liberal leader criticizes the prime minister for asking a question which is unfair to the supporters of the opposing view.

This deadlock sullies from the outset this consultation which has an historic dimension because the citizens of Quebec have never before had the opportunity to express their preference on their territory's political status.

Mr Ryan's attitude could possibly be explained by his effort to enhance his solution at the expense of the government's proposal. However, it is difficult to accept his rejection of the results, if they are favorable, in advance, on the pretext that they would not conform to his idea of Quebec, if the people have a different opinion than he.

If we accepted his logic, the Levesque government would be justified in skipping the referendum stage and proceeding without delay to negotiations on political sovereignty, since the liberal leader believes that the liberals' return to power would automatically mean the rejection of the Pequistes' constitutional program.

After this statement, the prime minister's riposte is a little more comprehensible; he told LE SOLEIL yesterday that his opponent quibbled, was

petty and, above all, partisan. The liberal leader has been the disappointment of the year for Mr Levesque because of the way the former colored parliamentary debates.

Beyond this obviously partisan opinion, it should be noted, in fact, that the liberal leader goes a bit too far in his restrictive interpretation of democracy, by stating in advance that the referendum will only bind the government of Quebec during Mr Levesque's mandate.

Before the referendum debate is obscured by underhanded attacks motivated by growing animosity between the two principal contenders, all parties involved, especially the liberals, must at least acknowledge the public's right to express itself on the question and, above all, to expect that the government, whichever it may be, take its wishes into consideration.

By rejecting in advance the results of this consultation and hesitating to explain his own program in detail, Mr Ryan is acting as if the citizens of Quebec do not take the promised referendum seriously. That is an astonishing attitude for him and he would be wise to explain fully, if that is truly the step he intends to take.

After acquiring the reputation of a conscientious analyst of society's needs and of an impartial, often courageous judge of government initiatives, Mr Ryan seems to savor partisan political debates, which shows he has an admirable ability to adapt.

This should not convince him that the people are wrong, if by chance they opt for the Pequist policy. This kind of complacency has led many politicians to their downfall.

Although the government's program has been hotly contested since November 1976, no one, on the other hand, has questioned the legitimacy of the step that the ministerial team is taking. Does Mr Ryan truly retain this at least flexible idea of democracy?

He should enlighten the people on this matter.

Ryan on Referendum

Montreal LE PRESSE in French 4 Jan 80 p A 4

[Text] Since the publication of the draft of the referendum question, the leader of the PLQ [Quebec Liberal Party] has said on several occasions that he would not feel bound by a yes vote on the referendum, if he came to power in the next general election.

How does Mr Ryan justify his attitude? On the fact that, having campaigned on a program of renewed federalism, he would interpret his future election as a mandate to carry out his platform and not that of the Quebec party.

This is like saying that a general election based primarily on a particular topic has as much, indeed, even more weight, than a referendum held on a given question.

How then can Mr Ryan logically announce that he will submit his federalist project for a referendum, after it has been submitted for the approval of the other provinces?

Claude Ryan's argument implies that an electoral victory would repudiate the Pequiste project approved during the referendum at the same time it would give him a mandate to implement the PLQ federalist program.

Is Mr Ryan ready to state that Pierre Trudeau was right when he said the people of Quebec had given him, last May, the mandate to reject unilaterally the Canadian constitution because Quebec supported him firmly? Certainly not. Moreover, Robert Bourassa was defeated in 1976, after campaigning for a mandate to refuse to allow Mr Trudeau to reject the constitution unilaterally; has Mr Ryan deduced from that, that Quebec judged Mr Bourassa wrong and Mr Trudeau right? Certainly not. He is not the one to teach that a general election, as a verdict on all administrative actions, political and legislative behavior, can not be reduced to a mere expression of opinion on a specific subject.

In this connection, nothing has as much significance as a referendum. It is true that under our government, such a consultation has no legal value. Consequently, the results of the coming referendum are not legally binding, but its political significance can not be ignored by the government, either the one that held it or the one that could succeed it, if there is a substantial yes vote.

To announce in advance that one will ignore it is to scoff at the government which will hold it as well as at the people who will take it seriously.

9479  
CSO: 3100



## LEVESQUE ACCUSED OF AVOIDING REAL DEBATE

Quebec LE SOLEIL in French 11 Dec 79 p A 6

[Editorial by Marcel Pepin: "Levesque Is Avoiding Real Debate"]

[Text] The Levesque government can take just pride in impressive legislative achievements. Even if so-called progressive opinion reproaches him bitterly and often unfairly with dragging his feet on some pressing reforms, be it access to day-care centers, increasing the minimum wage, job security, or, more generally, management-labor relations, several legislative acts have shown his deep concern for making sure progress.

Nor can there be any doubt that the uncertain economic situation and a strong conservative trend are putting the brakes on the reformers, who must dampen their ambitions and adopt more conventional attitudes if they want to get elected.

These cross-currents exist in all the other governments in Canada, and they have caused dissension within the Parti Quebecois to the point of crisis in the ministerial party because of its democratic tradition. Autumn's election losses plus party members' realization that they are powerless against the federalists' offensive have thrown the troops into a kind of disarray. The Parti Quebecois was a movement before it was a party, and it is now facing serious difficulties in orientation.

It is not surprising that Prime Minister Rene Levesque has once again been forced to throw into the balance all his prestige as founder of the party and all his authority as prime minister to cover up the rout and verbally to whip the stragglers into line.

Will Mr Levesque's appeal for unity and cohesion be heard? What is the cause of the grousing and doubts that are undermining the ministerial party? Can the Parti Quebecois miraculously gain from the polarization that has entrenched itself in Quebecers' political behavior? Isn't the very idea of holding a referendum on the collective future of Quebecers a calculated risk that is turning on its initiators?

There isn't a single PQ [Parti Quebecois] member that does not ask himself these questions every day. However, every time the party meets, the watchword remains the same: do not confront litigious questions directly, and pretend to see nothing, all in the name of a sacrosanct unity that must be maintained at all costs, even if it proves to be artificial and unpromising.

That is what happened again in Montreal over the weekend, when Mr Rene Levesque succeeded in papering unity over his restless troops without even beginning to undertake real debate on the basic directions of the party and the government. Little by little, the idea is gaining ground that power takes precedence over principle, even if there are indications gathering of a spectacular swing in public opinion in favor of the Liberals.

The tenacity and vigor of the prime minister are exemplary in the face of his government's setbacks. When he, more than anyone, might be tempted to pass the hot potato to somebody else, he fully assumes, rather, his implicit mandate to carry alone the responsibility to throw his troops again into the assault. But his battle cries are already sounding hollow.

It is easy to draw up a list of the dangers besetting the government, and it is just as easy to fault the government's action. The most important and decisive source of voters' disaffection with the government is the government's game of hide-and-seek with the feelings of Quebecers. By trying to camouflage, attenuate, and disguise its option with various nuances and assurances, the government has undermined its own credibility and directly contributed to turning a number of its own party members against it.

Far from undertaking a review of this strategy, far from examining it objectively, the prime minister persists in waving aside this salutary exercise, because he prefers to redouble his emotional appeals to unity. In the immediate future, he may have some success with the docile crowd, but in the medium term he may be able to count on only half-convinced and ill-trained troops during the referendum battle.

Quebeckers are no longer very sure what they are being asked to fight for. But they are in a position to know for sure what economic and social challenges Quebec is facing, and they do not take easily to a strategy that calls them to commit themselves to an ambitious constitutional reform, as though it were a routine choice between two branches of a freeway.

Instead of meeting head on this crucial problem of credibility, the prime minister has preferred to resort to a shopworn call for unity in order to mask the weaknesses of a strategy that is sowing doubt and anxiety. He is acting as though he were sacrificing himself in advance as the sole cause of his party's misfortunes in the near future. It is a bad

## FINANCE MINISTER REPORTS ON ECONOMY

Nicosia CYPRUS BULLETIN in English 8 Dec 79 p 3

[Text] The new Finance Minister, Mr Avxentis Avxdendiou, reaffirmed on November 28 that Cyprus will continue to follow a mixed economy system. In his first public statement on the island's economy since assuming the Ministry a month ago, Mr Avxendiou said on Cyprus television that the philosophy of a free-market economy would govern future moves in tackling economic development problems.

He said: "However, in the light of experience gained by other European countries, the international exogenous effects on the economy of the island, the emergency conditions created by the Turkish occupation and the need to harmonise economic planning with the needs of the political struggle, this principle will be promoted within the framework of a mixed economy system."

He explained that this meant the "continuous extension of the regulating role of the state in the redistribution of the national income."

## State Participation

The Minister said the policy pursued through the Third Emergency Economic Action Plan required capital "beyond the financing capacity of the private entrepreneur."

Attainment of this goal presupposed in certain cases that the Government should make available supplementary funds for the establishment of new, large productive units, jointly with the private sector, he said.

"The small size of the domestic market and the need for rapid exploitation of the natural wealth of the country call for state intervention and participation in a number of cases. This does not aim at substituting or undermining the private sector, but, on the contrary at bolstering its role."

Mr Avxendiou stressed the need for foreign capital participation in the establishment of joint ventures together with the Government or private enterprise.

It was also necessary to promote the establishment of public companies to provide every possible opportunity to the public and the working people to participate in the share capital and the running of business establishments.

### Tripartite Cooperation Essential

The Minister again underlined the importance of bolstering tripartite cooperation between the Government, the trade unions and the employers to help formulate the right economic and social policy, including an acceptable prices and incomes policy.

He said the current depression of the world economy, the energy crisis and high inflation were having their effects on the Cyprus economy which, as he put it, "has temporarily gotten tired and needs some rest."

Among the problems facing the island's economy which he said were causing concern were the shortage of manpower, land and other natural resources and the increased dependence of domestic production on imports. He also mentioned inflation, increases of labour costs and the widening trade deficit.

### Cyprus Economy Has Stamina and Dynamism

He said that he was confident that with "the cooperation and good faith of all of us, the problems will be tackled" because the Cyprus economy has repeatedly proved that it has both "stamina and dynamism."

### Long-term Economic Strategy

The Minister added that the further progress of the economy requires the formulation and implementation of a realistic economic policy that would create the necessary conditions in which the country could deal positively with its serious economic problems within the framework of the present political realities. The continuing Turkish intransigence prejudices long procedures and gives necessarily, a long-term economic dimension to the political struggle being waged. "Consequently," he said. "a basic element of the economic policy will be the adoption and active implementation of a long-term economic strategy for the development of the free areas. This approach becomes imperative for objective reasons as well, until the unity of the Cyprus economy is restored."

CSO: 4920

## BRIEFS

**NEW THERMAL POWER STATION**--The Cyprus Electricity Authority is going ahead with the construction of a new thermal power station at Dhekelia and expansion in the transmission and distribution system. The Authority's annual report says the project, which will cost 50 million pounds, had been decided some years ago but had to be shelved after the 1974 Turkish invasion. It says if it is not carried out now, there is a risk of power cuts in a few years' time, resulting from overloading of the system. The report says securing the necessary funds for such a major project is exceedingly difficult because of the continued drain on the Authority's revenue arising from the supply of electricity to the Turkish-occupied area without receiving any payment. Until the end of 1978, the total value of such unbilled consumption amounted to 14 million pounds and is expected to reach 33 million pounds by the end of 1982, with the Turks receiving about one-fifth of total output. [Text] [Nicosia CYPRUS BULLETIN in English 8 Dec 79 p 3]

**NICOSIA WATER SUPPLY**--The Minister of Agriculture and Natural Resources, Mr Georgios Tombazos, has announced that an extra 6,000 cubic metres of water per day will be supplied to Nicosia as from early next year. The water will come from drilling in an area between the villages of Akaki, Peristerona and Orounda, west of the capital. Mr Tombazos said the project would cost nearly 400,000 pounds and would have the capacity of supplying Nicosia with up to 10,000 cubic metres per day. The Minister said the water supply problem of Nicosia had become more acute in the wake of the Turkish invasion because many of the wells had been taken over by the Turks while the population of Nicosia had almost doubled with the influx of thousands of refugees. He said the population of Nicosia had risen to 200,000 from 120,000 in 1974. [Text] [Nicosia CYPRUS BULLETIN in English 8 Dec 79 p 3]

CSO: 4920



## A. P. MOLLER TO INCREASE NORTH SEA OIL PRODUCTION, SEARCH

Copenhagen BERLINGSKE TIDENDE in Danish 8 Dec 79 p 7

[Article by Erik Bendt Rasmussen]

[Text] A. P. Moller will expand oil production and the search for oil both in the North Sea and on land. This message came from the Danish Underground Consortium immediately following criticism of the consortium by the inspection board of the Trade Ministry for failing to make adequate explorations.

The report on the increased activity was sent out by A. P. Moller last night and the surprising element is that the search for oil on land through test drilling will be resumed in South Jutland. The latest analyses of the substrata have strongly indicated good chances of finding oil there. The report of the plans to resume looking for oil on land was totally unexpected since it was assumed that after many unsuccessful drilling efforts on land DUC [Danish Underground Consortium] was interested primarily in the North Sea.

## Four Million Tons

The expanded activity in the North Sea will bring Danish oil production in the early 1980's up to a little less than 4 million tons compared with current production levels of around a half million tons from the Dan field. At this time the Gorm field is under construction and starting in 1981 it will produce 2 million tons annually in addition to the Dan production. In addition DUC has decided to start new drilling in Skjold and Adda which could produce a total of half a million tons annually. DUC will also conduct exploratory drilling operations on the Danish ocean shelf close to the Norwegian Ekofisk. The drilling will begin very soon and there is some expectation of getting results in this area because the oil strata around Ekofisk extend into the Danish shelf.

If DUC reaches an oil production of 4 million tons in the early 1980's from the North Sea alone DUC will be able to cover a quarter of Danish

oil imports. This does not include possible oil discoveries in South Jutland which could further decrease Danish oil imports.

In addition to the planned expansion of oil production there will be natural gas production in 1984 which will also compensate for oil imports. It is anticipated that total production of oil and gas could--in an optimistic evaluation--eventually replace 30-40 percent of total energy imports.

6578

CSO: 3106

## CONSORTIUM TO RENEW SEARCH FOR OIL IN SOUTH JUTLAND

Copenhagen BERLINGSKE TIDENDE in Danish 9 Dec 79 p 5

[Article by Erik Bendt Rasmussen]

[Text] Chances of finding oil and gas underground in South Jutland should be good. A. P. Moller has just disclosed that in the spring of 1980 Danish Underground Consortium (DUC) will make two or three test drilling searches in South Jutland where Esso and Gulf have already looked for oil without success. But the consortium will not release details of where the drilling will be done at this time. However they will be released. An agreement has been concluded with the German company, Deutag, on leasing a drilling tower.

Expectations of finding oil are supported by new and improved methods of analyzing underground structures. And experience shows that the so-called zechstein layer of the earth can contain oil. Good finds have been made in Germany in the zechstein layer which is over 60 million years old.

Director Mogens Rorvig of Danish Underground Consortium told BERLINGSKE TIDENDE:

## Optimism

"Preparations for this drilling began in 1977-78. It takes a long time to prepare for such a project and the studies--in other words the seismic measurements and their interpretation--cost 40 million kroner. We have conducted small seismic explosions at a depth of 10-20 meters and the measurement apparatus has reflected the underground effects. Both the measurement apparatus and the methods used to interpret measurements have been greatly improved in recent years. This means that we have clearer and more reliable information concerning underground regions. And this information has looked so good that we have decided to drill two or three test holes at a cost of 5-10 million kroner apiece. But let me emphasize that the seismic information does not indicate that oil

can be found where we are planning to drill. The information merely indicates that there is good reason to feel optimism about the results of looking for oil there."

The drilling in South Jutland will go down to a depth of about 3 kilometers. Elsewhere in the country DUC has gone down to a depth of 2-3 kilometers, coming up with "dry" holes, as they are called in oil terminology. But there are high hopes for the test drilling in South Jutland even though DUC is trying not to overdo its expectations.

Investments in oil drilling on land are considerably lower than investments in the North Sea. Test drilling at sea costs around 30 million kroner and production platforms can run up to several hundred million kroner. Even though oil explorations on land cost less there is no reason to expect that any oil found in South Jutland will be low-priced oil.

6578

CSO: 3106

## OIL PRICE RISE TO AFFECT ALREADY CAREENING ECONOMY

Copenhagen BERLINGSKE TIDENDE in Danish 13 Dec 79 p 8

[Article by Frank Dahlgaard]

[Text] While the OPEC nations were meeting yesterday to approve new oil price increases the Danish government decided to moderate its total economic plan.

Both steps mean that unemployment and the payments deficit will grow more than previously expected.

According to the previous government estimates we would have a balance of payments deficit of 15 billion kroner for this year and an unemployment level of 165,000. If no steps are taken these figures will grow to 245,000 unemployed and 19.5 billion kroner in payments deficits by 1983.

With the government's original "package solution" including the 5 percent devaluation, income restraints, tax increases, etc. the predictable increase in unemployment and balance of payments deficits would disappear.

In other words the total plan would have forestalled a direct deterioration of Denmark's already grave economic situation.

After yesterday it no longer seems possible to avoid a rise in both unemployment and the balance of payments deficit.

The government's revised total plan involves first and foremost an abandonment of the attempt to check wage drift and growth tempo and in consequence the wage increase rate will not be 7 percent annually--as it would have been under the original proposal--but around 10 percent annually. According to the government this moderation of wage policy is the "reverse side" of the elimination of the proposal for an OD [Economic Democracy] distribution of surplus wealth with a central fund. But the higher rate of wage increases will have unfortunate consequences for future economic developments.



In the spring the government's own economists presented estimates of the economic effects of a 1 percent change in the annual tempo of wage increases. The estimates show that for each percentage point the wage increase tempo is reduced we achieve a balance of payments improvement of 1.5 billion kroner after 4 years time.

Thus the wage hike rate of 3 percent that is now anticipated will mean a balance of payments deterioration of 4.5 billion kroner in 1983 in addition to the previously anticipated deficit of 13 billion kroner.

In the area of employment a 3 percent rise in wages means the loss of 27,000 jobs in the private productive sector. Thus the previous estimate of a modest rise in unemployment up to 190,000 by 1983 will have to be revised to 217,000.

But it appears that the real state of affairs will be even worse. In their calculations the government economists did not include the oil price increases that are presumably being decided on now at the OPEC meeting in Caracas, Venezuela. Oil prices will probably rise around 15 percent more next year than previously anticipated. That in itself would lead to substantial growth in both Danish unemployment and our balance of payments deficit.

#### Oil Prices Up

Last summer the economic experts presented estimates of the effects on the Danish economy of a 10 percent increase in oil prices. Using these figures we can estimate that on the basis of the extra price increase on oil alone next year's exchange deficit will rise 1.5 billion kroner while unemployment will rise by about 6000 people.

But to the extent that the new wave of oil price hikes is countered by the rich western nations with tighter economic policies the effect on unemployment in this country will be even greater. Much depends on how soon the oil nations start "recycling" the extra oil billions earned. The faster they start spending this money the less impact the price hikes will have on western nations.

However it is not unrealistic to estimate that the combination of the extra oil price increases and the moderated wage policy will mean that in 1983 Denmark will have 250,000 people out of work and an exchange deficit of around 20 billion kroner.

It is quite obvious to economic experts that this economic development is unacceptable and therefore it is certain that new economic interventions will be necessary within a few months.

### Discount Up?

In the current situation it is not unlikely that the National Bank will react to the moderated total plan and the oil price rises by raising the discount rate to new record levels.

If this happens it would make borrowing even more expensive for business people and private consumers and that would help to deepen the depression of the 1980's.

6578

CSO: 3106

## FARMERS COMPLAIN OF DRASTIC INCOME REDUCTION

Copenhagen BERLINGSKE TIDENDE in Danish 5 Dec 79 p 1

[Article by Kirsten Risgaard]

[Text] Mads Bjerre lives on his farm in Herrup in West Jutland. One of the 110,000 farmers left in Denmark. So far. He puts special emphasis on those last words. For he is on the brink of losing his belief that he has any future as a farmer.

"Economic cut-backs and political intervention lead to many farmers, especially the youngest and most recently established, finding themselves not just in a momentary crisis but in the worst possible circumstances," said Mads Bjerre, who is 29 years old.

"At least 10 percent of my colleagues in this district will have to leave their farms in the next few months. And what will become of them? Husband, wife and children. A forced sale is so terrible a mental strain that most people chose to leave the region where they had chosen to live. The bankruptcies have nothing to do with lack of ability. They happen because of poor economic opportunities, with interest payments exerting the worst pressure. There Danish farmers are hit harder than those in the countries with which we are competing."

## Invested 1 Million Kroner

In 1975 Mads Bjerre bought "Hojagergard" with 60 tonder of land for 775,000 kroner with a down payment of 165,000 kroner. He has invested 1 million kroner in renovations, machinery and improvements. The first few years were especially hard due to dry weather. He used 50,000 kroner on unsuccessful water drilling efforts.

"The first 3 years meant negative income. But things looked brighter in the last fiscal year when my income was zero. So I thought. But then came the discount rate hike of 2 percent. It hit those in the worst

circumstances the hardest. The devaluation cost me 10,000 kroner in a single day.

"Agriculture already had an income decline of 15 percent compared with the year before--because of rising production costs.

"The last intervention, the extra land tax to prevent farmers from profiting from the gain produced by the devaluation of the EC 'green krone,' is something I simply can't understand. We are so overburdened that we have to call a halt now. I took part in the mass meeting in Herning where Farmers' Reform 80 was supported by 4000 young farmers in a serious bind. I'm a calm person and I think we should be able to take care of our problems through negotiation. But it might be necessary to stop deliveries. Maybe that's what it takes to get the rest of society to understand that we're in trouble. I can keep going a few more years on my credit. But after that I will be forced to leave the farm."

#### Lost His Wife

Bjerre has had the personal sorrow of losing his wife. She died last summer and he is alone with their 9-month-old daughter. This situation has also made him realize how hard it is to get support from social services when one is independent and a farmer. The little girl is in a day-care program. But her father has to get up so early and go out in the barn that a young girl has to be paid 3000 kroner a month to look after the baby.

"I'm starting to realize what a mental strain it is to be a farm family today. It makes things especially hard when some people in society fail to see that the problems of farming are connected with those of society in general. Maybe we'll have to go on strike and throw the milk away. I hope this won't be necessary. But consumers and lots of businesses would really feel it if we just stopped our investments and deliveries. It would mean no meat, no butter and no milk. The construction, machinery and transportation branches would be affected and it would have a negative effect on the economy and employment in the rest of society."

Last year Mads Bjerre paid 160,000 kroner in interest alone. That is 15 kroner out of his pocket every single hour of the day. In the new year his economic situation will be worse by at least 80,000 kroner in production. He has 40 sows and 30 Jersey cows. Money has to be borrowed from a feed company at an effective interest rate of 29 percent. That will be 16,000 kroner more in interest. Added to that will be the new land tax assessment. On his poor soil the amount will be 6000 kroner. The amount for good land will be much more and this money is not deductible. He said it is impossible to predict the problems agriculture will face unless there is a turn for the better soon.

Mogens Nielsen is Mads Bjerre's budget consultant. He returned to his office in Haderup yesterday after seeing two farmers with debts of 60,000 and 128,000 kroner respectively for this fiscal year. Their financing will cost 30 percent in interest.

"A month ago I thought that 10 percent of the farmers would have to sell their farms and small holdings at forced auctions in 1980. But now I am afraid that the country will lose many more than 10 percent," Mogens Nielsen told BERLINGSKE TIDENDE. "Interest rates must go down now. The way things are going now, the people who are sitting up there and running the country are deciding that Denmark will no longer be an agricultural nation. That is an absurd way of treating a business that brought 17 billion into the depleted currency reserves.

"I can well understand the people in Farmers' Reform 80. If farmers stop their investments in 1980 3 billion net kroner will be at stake. That would hit society a hard blow. It seems very arbitrary to farmers that there is someone sitting at the top who is incapable of doing the job."

6578

CSO: 3106



## FARMERS ANGERED OVER GOVERNMENT TAX PROPOSAL

Copenhagen INFORMATION in Danish 8-9 Dec 79 p 1

[Text] The Agricultural Economic Institute, which is the source of the farm income figures in the propaganda ads, finds the presentation of its figures questionable.

The government's proposed special tax on agricultural land combined with 200 million kroner in extra subsidies represents a redistribution that will benefit 80 percent of the farmers claims one of LO's [Danish Federation of Trade Unions] leading economists, Poul Nyrup Rasmussen.

"I have made some estimates of the consequences of the special tax and I must say that for most people only small amounts of money are involved," Nyrup Rasmussen said to INFORMATION.

"If one views farms according to their acreage one finds that for two-thirds of all farms the new tax will amount to less than 2500 kroner a year.

"For 80 percent of all farms the annual expense will not exceed 3300 kroner.

"If we then take the proposal that half of the tax revenue be returned in the form of subsidies we are talking about a net gain for 80 percent of the farmers.

"But a large farm worth 2.5 million kroner would be paying a tax of 19-20,000," said Nyrup Rasmussen.

## Advertisements

At this time farmers have been inserting big ads in a number of daily papers under the heading: "Does society really want to deprive agriculture of a chance to restore the nation's economy?"

The advertisement, which is signed by the Coalition of Danish Farmers' Associations, the Agricultural Council and the Danish Small Farmers' Societies, states: "The government's proposal for a special tax on agriculture is unreasonable and harmful to society as a whole."

To back up the charge that the tax is unreasonable a graph is attached, illustrating developments in the earnings of industrial workers and farmers.

The graph shows that while industrial workers' wages averaged 98,000 kroner in 1978-79 "earnings" for farmers in the same period were 54,000 kroner.

The graph indicates that the figures were taken from the Danish Bureau of Statistics and the Agricultural Economic Institute which comes under the Ministry of Agriculture.

#### Problems

The director of the Agricultural Economic Institute, Arne Larsen, told INFORMATION that it is correct that the figures came from the institute but that estimates of what is called "farmers' income" were carried out by agricultural organizations. In his view there are some problems connected with the comparison made in the advertisement.

"In the first place Danish farming has a very mixed nature and if one included only full-time farmers in the calculation the picture would undoubtedly be quite different," said Arne Larsen.

"The income figures were arrived at by taking gross income and deducting net interest expenses and adding non-farm income to this amount.

"The occupational council of the labor movement has pointed out that in evaluating these figures one must bear in mind that farmers get a very favorable housing allowance and that is true. It has also been objected that the interest expenses include private interest costs for such things as financing a private car, etc. And it can be hard to distinguish between private and business debts although that is exactly what Tax Minister Hjortnaes has undertaken to do," Arne Larsen said.

"There is no doubt that the figures in the ad represent a striking under-estimation of farm income," said Bent Greve, an economist on the Labor Occupational Council.

"I have no doubt that statistically their wage level is very close to that of industrial workers.

"The average estimate includes a number of part-time farmers and older, less active farmers. I would expect that using the same calculation

methods the average for full-time farmers would be at least 10,000 kroner larger.      favorable housing allowance has an average value of around 7-8000 kroner. In addition there are many other benefits. A lower value assessment for feed and the special 'replacement deduction' which makes it possible for a farmer to deduct it from his taxes when he replaces his refrigerator," said Bent Greve.

Both Bent Greve and Arne Larsen do agree that in recent years farm income has shown a declining tendency.

"But it is the young farmers who have made large investments who are pulling the average down," Bent Greve said.

6578

CSO: 3106

## BRIEFS

FOREIGN AID INCREASED--According to Danida [Danish International Development Agency] Denmark will spend 2.2 billion kroner on aid to developing countries in 1980, increasing to 3 billion kroner in 1984. This means that by 1981 Denmark will have reached the UN goal for the size of aid to developing countries. For 1980 the aid represents 0.67 percent of gross national product and in 1981 it will be 0.7 percent, the goal set by the United Nations. In 1984 the aid will have reached just under 0.8 percent. The money is divided up between direct Danish aid and assistance via international organizations. Danish project aid is concentrated on Tanzania, Kenya, India and Bangladesh. In addition limited aid is projected for Botswana, Lesotho, Zambia, Zaire, Malawi, Guinea-Bissau, Angola, Mozambique, Egypt and Sudan in Africa as well as Sri Lanka and Vietnam in Asia. Talks have also begun on resuming aid to Uganda. This aid was discontinued under President Amin's regime. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 11 Dec 79 p 5] 6578

CSO: 3106

## YEAR-END PRONOUNCEMENTS REVEAL ELECTION CAMPAIGN ISSUES

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 29 Dec 79 pp 1,2

[Text] The year-end statements by Bonn party leaders reveal the basic outlines of the 1980 election campaign. While parties and electors will be pre-occupied mainly with next fall's Bundestag election, domestic politics are also much affected by the three provincial assembly elections in Baden-Wuerttemberg, the Saarland and North Rhine-Westphalia. The two government parties, the SPD and the FDP, aim to radiate confidence. FDP chairman Genscher's year-end statement, however, makes a determined effort to show up the differences between FDP and SPD policies. The statement by CDU chairman Kohl is definitely critical of government policies. Kohl considers the government parties, especially the SPD, to have failed in the most important issues. Even after its Berlin congress, he says, the SPD is still "profoundly split and incapable of action" in matters concerning energy. Kohl advocates greater use of nuclear energy, because otherwise hundreds of thousands of jobs would be in jeopardy. On this issue Kohl's statement is close to Genscher's.

Deputy SPD chairman Wischniewski's text omits all mention of nuclear energy. Genscher speaks of the peaceful use of nuclear energy "to a limited extent." Kohl and Genscher use virtually the same words to describe citizen safety as ranking ahead of the economic utilization of nuclear energy. Kohl and Genscher also agree in their reaffirmation of the market economy. Kohl: "State instead of market, that slogan for the economic policy of the 1980's is increasingly heard from the ranks of the SPD." Genscher talks of a fast reacting and flexible economic and social system in the Federal Republic, which must be secured and expanded. "That is why we totally reject the proposals of planners, the advocates of bans and controls, who seem to be sensing another dawn."

Kohl champions primarily economic growth, the prerequisite for energy supplies, the financing of retirement pensions, environmental control, the assurance of technological progress, the improvement of the educational system and development tasks at national and international level. The CDU chairman especially castigates SPD and FDP financial and tax policies. Future generations will have to carry the burden of the national debt piled up in 10 years



of SPD and FDP rule. The tax law created by the SPD and FDP penalizes achievement. Social advancement continues to be punished instead of encouraged. Kohl calls the Federal Chancellor's family policy a scandal. Schmidt, he alleges, brushes off the "serious political and social consequences" of a decline in the birthrate in a manner bordering upon frivolity. In the Federal Republic anyone seeking his personal satisfaction in family and children is disadvantaged vis-a-vis those who are childless. Kohl considers the doctrinal solidarity of the Union a "tremendous asset by comparison with a coalition whose partners are evidently increasingly unable to cope with the ideological strife in their own ranks."

Genscher's New Year message emphasizes peace, arms control and disarmament as the central tasks of the new decade. In matters of domestic policy he calls on the SPD and the Union to give an account of their plans for present and future retirees to be carried out after the election. Genscher calls for "honesty and truth about pensions." As for educational policy he advocates equal competition between stratified and comprehensive schools.

While Genscher attempts to demonstrate the difference between FDP and SPD aims, the new deputy SPD chairman stresses the unity and working harmony of the coalition. Despite the international dangers most people in the Federal Republic, he says, are optimistic about the future. Last year proved once again "that we are able to tackle complex problems and transform potential hardships into actual benefits." Unemployment has declined, despite difficulties prices have held, and households affected by higher fuel costs were given subsidies. For the first time in the history of the Federal Republic the federal budget was passed before the beginning of the financial year. The coalition has demonstrated its ability to act and, in December, enacted a tax package which will bring considerable relief to most tax payers in the coming year. Wischniewski interprets the SPD election slogan "security for Germany" as a "great challenge." He lists, in particular, the security of jobs and energy supplies, negotiations about disarmament, the efforts to reconcile North and South and the reform of survivors pensions. The SPD platform on all these issues will be tabled next spring. Wischniewski thinks that the coming election campaigns may be exciting in the very best sense or that word, provided the discussion and debate involve issues of genuine interest to the citizens and do not decline into personal vilification. "We must be careful not to lower our standard of political culture, which is currently distinguished by cooperation among the parties on many specific issues."

11698  
CSO: 3103

CDU FIGHTS TO RETAIN POWER IN BADEN-WUERTTEMBERG ELECTION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 3 Jan 80 p 8

[Article by Karl Schmitz, datelined Stuttgart: "Loving the Homeland, Humane, Liberal"]

[Text] Nobody ever really doubted that Baden-Wuerttemberg was not Bavaria. The fact that followers of the Baden-Wuerttemberg CDU so frequently emphasize this elementary wisdom in political geography has two reasons. The Baden-Wuerttemberg provincial assembly elections, due on 16 March, are unlikely to result in a smashing victory such as enjoyed by then minister president Filbinger 4 years ago when he obtained nearly 57 percent of the vote -- a triumph of almost Bavarian dimensions. If we look at the answers to recent polls (though admittedly these refer to the coming Bundestag election), the CDU in Baden-Wuerttemberg is declining toward the 50 percent border. The indication that Baden-Wuerttemberg is not Bavaria therefore serves to describe a "normalization"--although of course this is not expected to go so far as to jeopardize the CDU's absolute majority.

It is asserted that minister president Spaeth is "firm in the saddle" after reining in the feverish activity of his first year of government and thereby proved that he is "teachable." The second reason for distinction from the Bavarian neighbor is concerned with the fact that, in the wake of Strauss, Spaeth must fear the loss of those old liberal floating voters who deserted the FDP for the CDU in the early 1970's.

The election campaign in Baden-Wuerttemberg has begun, and at the traditional party congress of the southwestern FDP on 6 January it is likely to begin to impinge everywhere. At this time the political organizations of Baden-Wuerttemberg are haunted by widely differing opportunities and semi-certainties nourished partly by hopes, partly by fears. Nothing is left of the certitudes cherished only 2 years ago. And if we are reminded that the absolute CDU majority in Baden-Wuerttemberg only dates back to 1972, this merely signifies that an absolute CDU majority there is far from an immutable law of nature.

Another no less sensational question to be answered by Baden-Wuerttemberg voters on 16 March is that of the survival of the southwestern FDP. After

years of inexorable shrinkage will the southwestern FDP fail at the 5 percent hurdle as a consequence of the "Greens" irruption? In a mixture of fears involving survival, definition and coalition the Baden-Wuerttemberg FDP has at least arrived at the conclusion that it appeals to the voters most when the party does not consider particularly appealing either Eppler's SPD or Spaeth's CDU. As good as decided is that which, only 4 years ago, former Land chairman Bengemann attempted in vain: The FDP which had then indicated its willingness for a coalition with the SPD, will at the coming party congress refuse to say whom it would like as a coalition partner should the CDU lose the absolute majority.

Minister president and CDU Land chairman Spaeth must welcome the FDP's keeping aloof from him. In his barely 18 months old occupation of the office he has claimed the attention of the Land and the federation to the point of diminishing return. This provincial assembly election is his first real test since moving into the building vacated by Filbinger. Spaeth's rise has been widely admired: From administrative specialist and Bietigheim finance mayor by way of member of the executive of the labor union owned "Neue Heimat" [housing construction corporation--translator] and CDU majority leader in the Stuttgart provincial assembly to Baden-Wuerttemberg minister president. If he does not wish to suffer a reverse, he must maintain the absolute CDU majority. Any FDP promise to join him would have been an unwelcome handicap.

The FDP has launched several demands which, in case of coalition negotiations, are to be considered irreducible. Totally unacceptable for the Baden-Wuerttemberg CDU at least at this stage is the call for lifting the "radical ban," the advocacy of integrated comprehensive schools and the demand for an attitude in the Bundesrat favoring the Bonn SPD/FDP Government. Before the nomination of chancellor candidate Strauss it looked as if the Baden-Wuerttemberg FDP was drifting toward the CDU. Certainly Land chairman Morlok (34) who handles politics like any other kind of marketing campaign, has more in common with Spaeth, the tactician who is light on principle and heavy on flexibility, than with the doctrinaire Eppler.

It seems entirely likely that the "Greens" will enter the Stuttgart provincial assembly. The polls hold out the prospect of 8 percent of the vote going to that "movement." In any case, Baden-Wuerttemberg, the federal Land with most universities and a multilayered structure where, in such different areas as southern Baden or old Wuerttemberg, anticentralist and antitechnocratic ideas flourish, offers favorable soil to the Greens, and so it has proven at the recent European and district assembly elections.

While the FDP looks on the doings of the "Greens" with justified apprehension, the SPD, led by Eppler who himself is something like the incarnation of "ecological thinking," has mixed feelings. In mathematical terms a "green" group in the Stuttgart provincial assembly could be quite interesting if it comes to the replacement of the Spaeth Government by a SPD/FDP/Green Government headed by Eppler. On the other hand the strategists at Stuttgart SPD Land headquarters consider such a prospect "politically irresponsible" from

the aspect of Bonn and the Bundestag election as well as from the standpoint of the SPD's followers in the labor unions, who are more interested in owning their home and holding a secure job than in the chiliasm of the ecologists. In any case, Hasenclever, Land chairman of the "Greens" and a former SPD member, at this time rejects any suggestion of joining a government. Eppler certainly did not fail to speak his mind as regards his appraisal of the medium-term development in Baden-Wuerttemberg: "If--and by now this no longer seems quite as unlikely as a year ago--we do succeed in breaching the CDU's absolute majority, I would really be interested in seeing that political grouping which would help the CDU take on the government once again!"

If the polls are correct in their predictions, the Baden-Wuerttemberg SPD is justified in hoping that it will be able to improve on the poor election results of 1976 (33.3 percent) by at least some percentage points. Regardless --or possibly just because--of his notorious differences with Federal Chancellor Schmidt Eppler's position in the SPD is stronger since the Berlin party congress. As to his recognition factor, it is greater than for any other opposition politician in any provincial assembly. All in all the SPD has managed to stabilize in Baden-Wuerttemberg, and many a CDU official anxiously speculates what might happen if, instead of the "dour" Eppler a potentially popular tribune were to lead the southwestern SPD.

Saeckingen SPD provincial assembly deputy Kurt Bantle produced a critical though humorous formula to describe the dilemma: "For Helmut Schmidt and Erhard Eppler--for and against nuclear energy." This phrase largely characterizes the coming election campaign strategy of the Baden-Wuerttemberg SPD. It is claimed that a popular party such as the SPD, which represents everybody --ranging from conscientious objectors to officers in the reserve--must accommodate a man like Eppler as well as Federal Chancellor Schmidt. And that is how it is to go at the future election meetings in Baden-Wuerttemberg.

The FDP has adopted the not exactly original watchword: "Baden-Wuerttemberg must return to liberalism." The CDU had wanted to solicit votes with the assertion "Our Land is tops." Obviously, though, at the last moment someone in the Minister President's office understood that such a boast would not necessarily sit well with the deliberate Swabians. Recourse was therefore taken in a slogan which is not far removed from detergent advertising: "CDU--for the love of our Land." The SPD intends to have a go using a rather subdued watchword obviously intended to respond to the more deliberate spirit of the age and Eppler's anti-growth line: "A little more humanity." But--which of the three parties could possibly refuse to endorse any of these: Humanity, liberalism, love of the homeland?



## CDU FOREIGN AID PLANK STRESSES COORDINATION WITH SECURITY POLICY

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 3 Jan 80 p 4

[Text] In Bonn last Thursday the CDU's federal committee on foreign aid published its proposals on North-South policy. They call for a Western security and aid policy adequate to counter the Soviet Union's geopolitical offensive in the Third World. Toward the end of last year the federal committee adopted these North-South proposals as a complement to the CDU's 1976 "foreign aid concept." They have now been submitted to the party leadership for discussion and adoption. Chairman of the foreign aid committee Todenhoefer said that a look at the Soviet intervention in Afghanistan indicated the Soviet Union's preparations for attacking the raw material sources and supply routes of the West. The proposals, headed "freedom, justice, solidarity and peace for the Third World," state that the Soviet Union is making far more difficult the balance of interests between the industrial and developing countries, because it creates or exploits political conflicts and crises in the Third World and improves its strategic situation by means of so-called surrogate wars and pro-Soviet "liberation movements."

The CDU committee suggests by way of a counter strategy to accord greater emphasis to the coordination of aid, foreign, security and foreign trade policies as well as cultural relations. In the matter of foreign aid the Federal Republic would have to cooperate primarily with pro-Western developing countries. It was necessary to make an end of the "indiscriminate" aid given those developing countries which have allowed themselves to become part of the Soviet Union's aggressive global strategy.

In the matter of the liberation movements the proposal adds that the CDU in principle recognizes the right of resistance to unjust governments, provided always that certain conditions are met. Most of the actions of so-called liberation movements recognized by the United Nations are actually not legitimate. The right to resistance certainly does not imply the right "by revolutionary means to impose" certain sociopolitical doctrines. Nor can the right to resistance ever justify the use of violence against the civilian population. External support of organizations using force is totally incompatible with the foreign political principle of renouncing the use of force.



For political, economic and humanitarian reasons the CDU's foreign aid committee continues to advocate further substantial efforts in foreign aid. In granting development aid funds the Union intends to pursue the "strategy of two approaches": 1. The poorest and least developed countries are to receive special consideration. 2. Development aid is to be channeled especially to those countries whose interests are closely linked to those of the Federal Republic. Equally favored are to be developing countries which share the political ideals of the Federal Republic on important political issues. Foreign aid should also concentrate on developing countries of particular strategic and economic importance to the West and regional importance for international stability.

11698

CSO: 3103

## AFGHANISTAN INTERVENTION EVOKES ONLY CAUTIOUS PARTY REACTIONS

Helsinki HELSINGIN SANOMAT in Finnish 3 Jan 80 p 7

[Text] Finland's political parties will not take a firm stand on the situation in Afghanistan, nor will the government have anything to say on the subject, barring significant new developments.

Monday, the Foreign Ministry released a vague statement explaining Finland's position on the events in Afghanistan. The intent of the statement is to say little or nothing. It was given in response to inquiries from the press.

In last week's revolt, Soviet troops moved in to support Babrak Karmal, who seized power from President Hafizullah Amin. It is estimated that there are some 30-40,000 Soviet troops in the country at this time. The situation is being compared to the occupation of Czechoslovakia.

Comments by the political parties on Wednesday followed the careful line established by the Foreign Ministry. At Social Democratic headquarters, it was stated that there had been no discussion of the matter, and that it was quite unlikely that a position would be taken.

Conservative Party chairman Ilkka Suominen, representing the largest opposition party, did not expect that the Conservatives would take a position. Suominen said that the government's statement on Monday was cautious and the maximum that should be said within Finland's policy of nonalignment. On the other hand, he felt that the statement should have been delayed.

The Center Party will not consider the events in Afghanistan before the 7 January meeting of the party Executive Committee, according to party chairman Mikko Immonen. He believes that additional light will be shed on the government's statement in that meeting.

## Result of Friendship and Mutual Assistance Treaty

Finnish People's Democratic League Chairman Kalevi Kivisto says that the government's position is correct. He felt that his party's governing board would at least discuss the subject in their meeting early in February.

"I met Afghanistan's envoy to Finland last summer in Moscow. He gave an alarming description of the situation in his country," reported Taisto Sinisalo of the Finnish Communist Party. He felt that the intervention by Soviet troops in Afghanistan "was not an impossible surprise, since the two countries do have a friendship and mutual assistance treaty." Sinisalo felt that "there is not much to be said" about the government's statement because it recognizes the nature of the problems.

"A friendship and mutual assistance treaty obviously does not call for intervention by Soviet troops," said Christian Union Party chairman Raino Westerholm. He pointed to the massive reaction by the western world. He considers the statement by the Finnish Government too vague. "If even the Foreign Ministry is unfamiliar with the treaty between the Soviet Union and Afghanistan, the position should not have been drawn up until the text of the treaty was understood in detail," said Westerholm.

## Labor Takes No Stand Yet

The Central Federation of Finnish Trade Unions will not yet take a position on the matter of Soviet troops in Afghanistan. "A statement may be necessary later on," said Ilkka Erich, the labor federation's secretary of international affairs. Erich described the Foreign Ministry's statement as "very brief" and "framed somewhat enigmatically."

On the other hand, the Finland-Afghanistan Society completely supports the position taken by the Foreign Ministry. Helge Rontu, secretary of the society, which is dominated by the Taisto wing of the Communist Party, is pleased that Foreign Minister Vayrynen rejected the emotionalism surrounding the Afghanistan question.

The Finnish Defenders of Peace are divided on the actions of the Soviet Union. Chairman Paavo Rintala, author and Center Party member, described the events in Afghanistan as a symptom of the crisis between the Soviet Union and the United States. Acting Executive Secretary Johannes Pakaslahti, communist, replied that the threat to Afghanistan from China, Pakistan and the United States was confirmed in a meeting of the World Peace Council in Kabul clear last summer. "In fulfillment of its obligations under the terms of the friendship and mutual assistance treaty, the Soviet Union has rendered the requested assistance to Afghanistan," Pakaslahti said.

### Press Also Cautious

Wednesday, the new media commented weakly on both the statement of the Foreign Ministry and the situation in Afghanistan. The principal communist newspaper, KANSAN UUTISET, sympathizes with the action, saying that the Soviet Union wanted to eliminate a hotbed of unrest developing on its southern borders. The danger appeared to be so grave that action was decided upon regardless of the ensuing international reaction. KANSAN UUTISET accuses NATO of making propaganda hay of the situation to push its European missile policy.

UUSI SUOMI asks if the statement could not have been more clearly phrased. The newspaper describes the Foreign Ministry's statement as "oracular."

### Sobolev Gives Kekkonen Background Briefing

The Foreign Ministry released the government's statement on the situation in Afghanistan on Monday. Ambassador Vladimir Sobolev had briefed President Urho Kekkonen on Friday concerning the action of the Soviet Union. "In response to inquiries," the Foreign Ministry observes in its statement, which consists of nine lines, that "the Government of the Soviet Union has explained the reasons for its deployment of troops in Afghanistan, and has stated categorically that it will withdraw its forces as soon as the situation permits. Therefore, the situation in Afghanistan shall return to a state of normalcy as soon as possible, which the Government of Finland deems to be in fulfillment of the hopes of the parties involved and of the international community."

Following the occupation of Czechoslovakia in 1968, the Finnish Government under Prime Minister Mauno Koivisto issued a statement which began as follows: "The Government of Finland regrets that the differences between certain Eastern European countries have not been settled by negotiation." In the rather brief statement, the government called for a settlement of controversies through negotiation and hoped that an increase of international tension could be avoided.

9551

CSO: 3107

## AFGHANISTAN EVENTS SHOW WORLD OPINION DOUBLE STANDARD TOWARD USSR, U.S.

Helsinki HELSINGIN SANOMAT in Finnish 3 Jan 80 p 2

[Editorial]

[Text] If the United States had sent tens of thousands of troops with a lot of heavy military equipment, overthrown Somoza and set up in his place a dictator to their liking to continue the fight against the Nicaraguans, virtually the whole world would have bitterly denounced such imperialism. Now that the Soviet Union is in somewhat the same situation in Afghanistan, along with the detractors there are sympathizers and even defenders.

The Soviet forces' first assignment was to oust the current ruler, Amin, who though "progressive" and "revolutionary," had turned out to be a difficult ally. The fighting against the supporters of Amin appears to be continuing. The second purpose of the intervention was to step up the war against Muslim tribes which have been battling loyalist forces for more than a year. Rebel tribes are scattered, without centralized leadership. Their success is due partly to low morale in the Afghanistan army and its fondness for staying within the protection of fortified areas and relying solely on the air force and artillery. The rebels have indeed received arms and other assistance from Pakistance, but talk of an external threat is designed as a cover-up for Moscow's ulterior motive: to increase its influence in Afghanistan and perhaps even in adjacent countries.

The United States has vigorously condemned the Soviet Union's intervention. As a matter of fact, however, Washington is gleeful if not pleased. Moscow has boosted America's standing particularly in the Muslim world, which has long been quick to blame Americans for everything.

Just a couple of years ago, Afghanistan was a backward, nonaligned nation whose national government maintained good relations with its Soviet neighbors. Now the country is becoming Moscow's Vietnam, tying up large quantities of resources and yielding very little return. In addition, the situation in Afghanistan will intensify distrust of Soviet policy. The question arises: "what if a leftist puppet government were to turn up in Iran which would enter into a pact with Moscow and request aid?"



The statement of the Finnish Foreign Ministry on the events in Afghanistan can be interpreted as follows: Finland regards the current situation as abnormal and detrimental to the entire international community, and hopes that the Soviet Union will keep its promise and withdraw its forces as rapidly as possible. It is an appropriate wish, but perhaps unrealistic. Right now it seems evident that Soviet troops may be detained in Afghanistan for some time to come.

9551

CSO: 3107

## PCF DEFENDS SUPPORT OF SOVIET INVASION OF AFGHANISTAN

Paris L'HUMANITE in French 9 Jan 80 p 11

[Report on televised interview with Charles Fiterman, secretary of the PCF's central committee, in Paris on 8 January, by group of newsmen]

[Text] Charles Fiterman, secretary of the PCF's central committee, was supposed to answer newsmen's questions yesterday on Antenne 2's [TV station] midday news program. Instead the communist leader ran afoul of a veritable aggression. One questioner deliberately acted as an accuser and constantly interrupted his guest in a manner bordering on insult. Despite these multiple obstructions, Charles Fiterman did make the following remarks, inter alia, about Afghanistan.

"We determined our position on the basis of three factors. From the standpoint of principles, we French communists are deeply attached to noninterference, to independence, and we have proved that we are. But it is evident that compliance with that principle implies the right of a people or nation subjected to aggression to request assistance from a friendly country.

After being interrupted by one of the newsmen, Daniel Grandclement, Charles Fiterman pointed out: "I have here the text of the North Atlantic Treaty. Now what does this treaty signed by France say? 'The parties agree that an armed attack against one or more of them shall be considered an attack against them all, and consequently they agree that, if such armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force'."

Charles Fiterman then continued: "The events in Afghanistan are being depicted in a distorted light. There was a progressive revolution which installed a government, and this stirred up an armed rebellion in that country, a rebellion supported from the outside by the worst reactionary elements.

"After April 1978, when confronted with this situation, the progressive government called upon the USSR for assistance under the terms of an agreement that has existed between Afghanistan and the Soviet Union since 1920. The presence of Soviet forces in Afghanistan dates back to 1978. And it is within the scope of that agreement and of that situation that, in the face of an armed rebellion supported from outside the country, the progressive forces requested Soviet help....

"We do take into account the arguments furnished us, and for two reasons. The first is the interest of the Afghan people. The choice is simple: either that democratic government which has freed thousands of prisoners and announced a policy of progress containing democratic reforms and the guarantee of individual and religious freedoms, or else the foulest reaction restored to power with a situation comparable to the situation in Chile multiplied by 10 or by 100. Rather than have another Chile, we prefer to see a democratic policy implemented and thus permit Afghanistan to move forward.

"The second basic reason is related to international peace. There is no doubt that the USSR's policy is not always perfect. It may contain mistakes, blunders, and it may concern itself about national interests that are not necessarily our own. But I do say that the Soviet Union wants peace. Provided the opposing powers do not take any dangerous initiatives, the current situation is no threat to world peace, contrary to what some are saying. On the other hand, if Afghanistan were dominated by feudal elements supported by Pakistan and the Americans, facing a 2,500-kilometer Soviet border, I think that, in such a case, peace would be seriously endangered.

"Whether it be in the interests of the Afghan people or in the interests of peace, we consider it advisable to start from the situation as it now exists and hope that the policy defined by the Afghan Government will permit that people to free itself from feudalism, advance on the path progress, and thus create those conditions enabling it to secure its future in total independence and total sovereignty."

#### Protest by Georges Valbon

Georges Valbon, chairman of the departmental council of Seine-Saint Denis, has sent a letter of protest to the Antenne 2's president and general manager and also to the director of information, Jean-Pierre Elkabbach. Here are a few extracts from that letter:

"I have just had the opportunity of watching Antenne 2's television news at a time when I ordinarily am not in a position to do so. I was deeply shocked by Daniel Grandclement's attitude. He conducted himself as the representative of a political faction and not as a journalist serving the public.

"When one of the guests, Charles Fiterman, was outlining, in response to a question, the PCF's position on Afghanistan and the problem of national independence, Grandclement took it upon himself to interrupt him repeatedly, not for the purpose of asking questions or obtaining clarifications about the PCF's policy, but in order to prevent him from explaining his party's position...."

## CGT ASSESSES INTERNATIONAL, AFGHAN SITUATION

Paris L' HUMANITE in French 9 Jan 80 p 11

[Excerpts from CGT-approved analysis of the international situation prepared by J. Gallan; date not given]

[Text] The CGT's [General Confederation of Labor] confederal bureau met yesterday to hear and discuss a report analyzing the international situation submitted by J. Gallan. The executive committee had previously approved this report. The CGT is planning to send a delegation to Afghanistan in the near future to meet with that country's labor unions.

The main points of the CGT leadership's analysis are as follows:

"The threatening current international situation makes it more imperative than ever for us to intensify our efforts to inform, sensitize and mobilize public opinion on the basis of the following four essential principles reiterated by the 40th congress:

"1. Creation of a real climate of peaceful coexistence in extension of the Helsinki Agreement;

"2. Suppression of all nuclear armament and banning of all weapons of mass destruction;

"3. A rational policy of detente and disarmament;

"4. Simultaneous dissolution of military blocs.

"It was on the basis of these principles that the CGT very recently adopted a firm position against the deployment of new American missiles in Europe and now denounces the latest retaliatory economic measures taken by the U.S. Government against the USSR, measures resulting in a highly disturbing deterioration in relations based on detente. It is necessary, therefore, for us to take increased action to create conditions conducive to a very broad unitary movement, on the national as well as European level, designed to put an end to the nuclear arms race, promote detente and peaceful co-existence.

"In this setting of mounting international tension which is being used by the government and the president of the Republic as a means of subjecting workers and the population to pressure and extortion in an effort to make them accept new attacks on their standard of living, we now have to take cognizance of the situation created by the armed intervention of Soviet forces in Afghanistan.

"This event has occurred in a part of the world marked by political upheavals in Iran challenging the domination of American imperialism, by increased American economic and military support of Pakistan, and by uncertainties about future developments in India. Afghanistan has common borders with the USSR, Iran, Pakistan, and China. It is a Third World country still marked by the existence of feudal structures. These past few years, it has taken the path of progressive development. For that reason, it has established friendly and cooperative ties with the USSR.

"This brief analysis of a complex situation about which we do not have all of the facts, clearly shows that the stakes are high in that part of the world.

"As for us, we must make up our minds on the basis of our basic concepts, our principles of class and international solidarity. In this spirit, the tenor of the position we have adopted differs radically from those taken by organizations that have explicitly or implicitly supported and still support imperialist and colonialist interventions, or by others who systematically straddle such issues.

"The executive committee insists on reiterating the traditional values defended by the CGT:

- "1. Relations between countries based on friendship, cooperation, mutual respect, and the banning of any use of force;
- "2. The principle of noninterference in a country's internal affairs;
- "3. Evolution and progress of peoples on the basis of self-determination.

"This is the spirit in which the executive committee assesses and will follow with close attention the situation in Afghanistan and hopes that the Afghan people may be allowed to determine their own destiny in complete independence."

This statement was approved by the CGT executive committee. Five members voted against the statement and 11 abstained. The committee has 94 members.

8041

CSO: 3100

## MICHEL PEZET DESIGNATED NEW HEAD OF SOCIALIST FEDERATION

Paris LE MONDE in French 30 Nov 79 p 12

[Article by Guy Porte, "Mr Michel Pezet Takes Over Socialist Bouches-du-Rhone Federation"]

[Text] Marseille--After a process that has been in the works for several weeks (LE MONDE 31 October) a change was made on Tuesday, 27 November in the leadership of the Socialist Bouches-du-Rhone Federation. A 37-year-old lawyer, Mr Michel Pezet, deputy mayor of Marseille, member of the National Secretariat of the Socialist Party, was designated first secretary succeeding Mr Loo, who resigned the post he had occupied since 1964. Mr Pezet was the sole candidate.

This change is a consequence of the new majority-forming alliance achieved at the Metz Congress between the supporters of Mr Mitterand and the supporters of CERES [Center for [Socialist] Studies, Research, and Education] from which Mr Loo had excluded himself by his espousal of the positions of Mr Mauroy. By the same token it consecrates the fracture of the Bouches-du-Rhone Federation--the most powerful in France with 15,000 followers--and it takes cognizance of the existence of the faction set inspired in motion by the mayor of Lille, within which some 30 percent of the militants are to be found.

Mr Loo, who is also deputy mayor of Marseille and member of the Assembly of European Communities, by way of explanation for his decision, reviewed the events of the past months, taking note of the failure of the motion of synthesis presented at Metz by Mr Defferre, which had been supported by signatures of 90 percent of the militants of Bouches-du-Rhone. Mr Loo stated, "I concluded from that that the federation could no longer be headed by a first secretary of the minority." Mr Loo added, "This is the mandate I cared most about. But I am nonetheless a disciplined militant."

Mr Pezet's designation took place without a vote after Mr Defferre established that none of the members of the Executive Bureau expressed any objection to this candidacy. In the name of the minority faction, Mr Frederic Rosmini himself let it be known that his friends would leave it



to the "national" majority faction to choose a successor for Mr Loo. Nevertheless this procedure provoked interrogation by several militants, among them Madame Germaine Pivasset (Rocard supporter, Aix-en-Provence) and Mr Pierre Matrassa, mayor of Sausset-les-Pins, chairman of the Governing Committee, both surprised by this "simplification." With Mr Loo's departure there came to an end a long lease that for 35 years had bound the former first secretary to Mr Defferre. Having come in to the federation at the age of 17, Mr Loo had experienced at his side all the battles waged by the mayor of Marseille, shared in his successes and failures, from the splitting of 1946 to the Common Program, by way of the bitter experience of the presidential election of 1969, in the first balloting of which Mr Defferre only got 5.01 percent of the votes cast.

2750

CSO: 3100

FRANCE

PSF SEEN CHANGING IN THREE BASIC AREAS

Paris LE POINT In French 26 Nov 79 pp 64-65

[Article by D. Molho, Dominique de Montalvon, and Maurice Roy]

[Text: More Realistic Approach]

The Socialists do not want to change French life, they simply want to transform it. The messianic dream is, at least for the moment, abandoned, ceding its place to realism. Of course, pleading for an associative life (thanks to Michel Rocard), decentralization and local management still have their place, but on other topics the PS [Socialist Party] is tending today toward smoothing off its rough edges.

"The Socialists, for whom education has always been a priority concern [...], intend to create a great non-sectarian, free public service [...], which implies that we must proceed to the nationalization of education," which could be read under the title "To Change Life." Now, if the current platform is advocating elementary liberties in the middle and higher institutions, nationalization of private teaching has been forgotten. The Moxandeu proposal in its time had aroused a hue and cry. Realpolitik decrees that it is better to keep voters than to keep ideas.

The same abandonment is true of the nationalization of medicine. Of course, we read in the platform: "It is necessary to free the doctors from the constraints of payment by fee [...]. It is necessary to progressively develop a communalized health system furnishing care gratis and suppressing fees for services." There is no longer any mention of nationalization or of the "disappearance of a private hospital sector operated for profit" which "To Change Life" advocated.

The brake has again been applied to demagoguery: If the Socialists still come out in favor of giving priority to mass transit they no longer demand as they did before a "transportation ticket paid for by the employers [...]

and a progressive tax on enterprises [...] for the financing of investments in public transportation."

Finally, while they invite the French people to "live in another style," the Socialists are making proposals which have the merit of being feasible and of being sensible. For example, by proposing ways in which youth will no longer be just a period for education, adulthood will not be confined to the single task of producing and old age will not be limited to inactivity.

"Every age," according to the PS plan, "must permit the association of those three functions, a management of one's time in such a way that changing its rhythms (and changing one's social status) will be avoided as much as possible, especially at the time of retirement."

The Socialists believe that the 1979 platform, if it is presented in this way, will serve as a better presidential platform for their candidate, whoever he may be.

[signed] D. Molho

#### Nationalism: a Higher Note

In 1972, the Socialist Program "to change life" made fun of the "outdated nationalism" of the Gaullists and sang a veritable hymn to Europe. Seven years later the change in emphasis is impressive: in "the Socialist Platform" of 1979 the theme of national independence has, in fact, become the most important one. No doubt the Socialists are multiplying verbal warnings: "it is not a question of cultivating independence for its own sake," they emphasize on page 46 of their platform. And, on the preceding page, they had already declared that "to give a new meaning to the history of France"--as they seek to do from now on--has nothing to do with "nationalism," which is a sin. That does not prevent the following sequence: if "the nation is not an end in itself," it can be "the crucible of new values," according to the PS in 1979 and it is therefore very clearly around the national theme--dear to Michel Debre--that the new plan has been drawn up. Won't the Socialists go so far as to evoke, is not invoke, "French patriotism"? The change of emphasis is immediately apparent as of the moment we examine the tables of contents in the two Socialist platforms. In 1972 the series of chapters devoted to foreign policy was entitled: "A New Internationalism." This expression has not disappeared in 1979, but it has no higher importance than to be the subtitle of a "priority" summarized by the expression: "An independent France open to the world." Everything is going on as if the Socialists had lost some of their illusions about Europe over the last seven years at the same time that they had seen the area of national independence politically freed by the Gaullist recovery.

In 1972, in fact, everything revolved around the European project, up to the point where the PS, with its eagerness, was only hoping--very modestly--

to have a "margin of maneuver" in order to keep a "mastery of national policy without debating again [France's] membership in the [European] Community." In 1979 the priority has changed its direction, perhaps because "Europe is the epicenter of the crisis, France in Europe is among the most affected countries." And the PS intends to maintain "its intransigent concern for national independence." Such a care will not be without its consequence in the area of economic organization (see below): the necessity of a state worthy of that name is thus clearly declared. "Freedom," it is stated, "needs a legitimate state." We read between the lines here that it must be capable of governing, of conducting the necessary planning, of resisting "the Anglo-Saxon naturalization of French enterprises."

However, it is in the domain of defense that the trench has been more plainly dug: In 1970 the PS in effect was denouncing "the excessive nationalism" of Gaullist military policy and was advocating the abandonment of the plan to construct an independent striking force. Now, 1979, the PS proclaims: "it is essential to converge for our defense its full economy of decision, and particular mastery of its forces of dissuasion."

In short, in 7 years the Socialist program has not only undergone some adjustments. It has changed its footing quite completely, under the influence of Ceres, among others. Facing the crisis, this time it has been the Jacobin and nationalistic Socialists who have taken the floor. Perhaps this is the real fate of Francois Mitterand.

[signed] Dominique de Montalvon

#### Economy: A Softer Approach

In the matter of economics, has the PS learned nothing and forgotten nothing, or, on the contrary has it modified its goals in the seven years since publishing its platform "To Change Life" so as to take account of a new status in the world, in fact of the new state of mind of its leaders and of its militants? On reaching the "platform" now being submitted to these militants, certain innovations are obvious, if not always convincing.

Of course the Socialists, today as they did yesterday, denounce "the imbalances and frustrations born from capitalist growth." They are still declaring that "it is not a question of managing the capitalist system, but of replacing it with another." They continue to proclaim that if "the appropriation by society of the great means of production is undoubtedly not the sufficient condition for socialism, it is none the less the necessary condition."

And certainly furthermore, today as in 1972 the broad lines of the same fiscal reform are found: tax the great fortunes, tax the capital of corporations, revise "the unjust advantages granted to income from capital," increase the progressiveness of the income tax and of inheritance taxes.

The entire assortment of encouragements to save or for the relief of failures at the base. In short, it is still the question of making the rich pay. If there are any of them left....

The concern of the Socialists to "transform our energy system" is newer, of course. That is where the crisis is. It is a question of disassociating the economic growth and the consumption of energy by acting on the levels of housing, industry and private citizens, especially by creating "energy saving clubs" in apartment houses and villages.

More surprising! The declaration of an "industrial imperative" which goes from "recognizing and encouraging the spirit of enterprise and innovation"—Georges Pompidou would not speak any differently. Sectors to be supported or to be developed as a priority measure: industries for processing and transmitting information, transport, delicate chemistry and bioindustry, machines, steel making, the agro-food business.

Implicitly approving the policy of Rene Monory, the Socialists do not speak of going back on the decontrol of prices. At the most they will reestablish controls "when competition no longer does its job." This is a declaration which the economy minister of the Barre Government would gladly sign.

In 1972 the PS maintained only "the vital importance of the balance of payments for the stability of our money." Today, it elaborates a thesis which makes it closer to Michel Debre and to the Community Party at the same time. The share of foreign exchange and the Gross National Product has risen from 10 to 20 percent," it recalls. The goal of the PS is to bring it down to less than 20 percent in 1990. In order to achieve that goal it will be necessary to stop "advocating an unconditional free exchange." And since "most of our great trading partners practice more or less discreet protectionist policies" it will be necessary for us to do the same.

Thus, without changing the refrain, a few new verses have come to slightly modify the notes of the Socialist economic hymn.

[signed] Maurice Roy

12116

CSO: 3010

## FRANCO-SENEGALESE MANEUVERS TO TEST 21ST MARINE REGIMENT

Paris LE MONDE in French 28 Nov 79 p 10

[Text] In the beginning of December, in Senegal, significant joint maneuvers nicknamed N'Diambour-2 will bring together Senegalese forces and French units, detached especially for this exercise, which is to put into operation, for the first time, elements of the 21st Marine Light Infantry Regiment, which is destined to become the backbone of the 31st regiment, which will be created next summer for intervention abroad.

For Senegal's part, a large majority of the national armed forces--estimated as a total of at least 8,500 men without counting the paramilitary units--is supposed to participate in the operation.

France will transfer, for the event, about ten warships, including the aircraft carrier Foch, the antisubmarine ship Tourville, and the amphibious assault transport Orage, and it will use the Jaguar fighter planes which the tactical air force has detached to Dakar for the past few months for intervention missions. In addition, since the signature in 1974 of defense and military assistance agreements between the two countries, France has maintained in Dakar and in Ouakam, near the Senegalese capital, a contingent of approximately 1,200 men for the three services.

But the principal benefit from this maneuver, for the French army, is in transferring, to Senegal, elements of the 21st Marine Light Infantry Regiment, accompanied by two companies from the 1st Parachute Infantry Regiment stationed in Pau.

The 21st Marine Light Infantry Regiment, quartered at the Sissonne (Aisne) camp, will form, probably along with the 2d Foreign Regiment which is installed in Bonifacio and in Corte (Corsica) and which now supplies detachments to Chad, the backbone of the 31st Foreign Intervention Regiment. The latter unit (LE MONDE 14 September) will be, for the most part, organized during the summer of 1980 and based in Frejus (Var).

In the process of professionalization, the 21st Marine Light Infantry Regiment includes 1,200 men divided into two armored car squadrons,



two front armored vehicle (VAB) companies and one tractor-drawn 155 battery unit. This is, moreover, the first time that VAB armored vehicles will be engaged in maneuvers in Africa. Subsequently, the 21st Marine Light Infantry Regiment's squadrons will be equipped with AMX-10 RC armored cars.

9181

CSO: 3100

## OBSERVER ANALYZES RESULTS OF ALTHING ELECTIONS

Reykjavik MORGUNBLADID in Icelandic 11 Dec 79 p 14

[Article by Hannes Holmsteinn Gissurarson: "At the Conclusion of the Elections"]

[Text] The Independence Party did not win the Althing elections of last 2d and 3d of December; but it did not lose them either. It received 35.4 percent of the vote and received 32.7 percent in the Althing elections of 25 June, 1978. The support of the Independence Party has never been less than in these two elections. Its Althing representation decreased from 25 to 20 in 1978 and increased only to 21 in 1979. Two of the most prominent Althing representatives of the party, Ragnhildr Helgadóttir and Ellert B. Schram, were not elected. The party did not win the election in spite of the discord of the leftist government and the deceptive promises of the People's Party and People's Alliance. The Progressive Party won the elections. It received 24.9 percent of the vote but received 16.9 percent in 1978. Its Althing representation increased from 12 to 17. The People's Party and People's Alliance lost support. The People's Party received 17.4 percent of the vote and its Althing representation decreased from 14 to 10. The People's Alliance received 19.7 percent of the vote and its Althing representation decreased from 14 to 11. This was no surprise to anyone since the victory of those parties in the 1978 elections was not actual. And why did the Progressive Party win the elections? And why did the Independence Party not win them? And what will now follow in Icelandic politics? I hope to answer these questions in this article.

## Why Did the Progressive Party Win?

Olafur Johannesson is the winner of the elections, just as Vilmundur Gylfason was the winner of the elections in 1978 and Hannibal Valdimarsson in 1971. He took advantage of the fact that he was attacked undeservingly as minister of justice, that half of the people was heartsick, and that many believed the incredible accusations made against him but were ashamed in the end because of it and voted for him or his party. It is said that Olafur Johannesson will be the next president of Iceland if Dr Kristjan Eldjarn does not stand for reelection next summer. And Steingrímur

Hermannsson will be the next prime minister of the leftist government. Progressives are obliged to acquiesce in the decision of the voters on the Progressive decade, although the verdict of history will doubtless be different. The victory of the Progressive Party is, however, not all due to Olafur Johannesson. It seems as if the party has captured what remained of the support of the Union of Liberals and Leftists, after the People's Party got its share in 1978. The party was successful in playing the role of conciliator in the leftist government and convinced many during the election campaign that the choice was between the 'jungle' of free-thinking Independence Party people and the socialistic Progressives, between a British or Norse way out of difficulties (which the nation finds itself in in spite of, or rather, on account of the Progressive decade).

And many remember that the coalition of the Progressive and Independence parties was brought down in 1978 with the battle cry: 'agreements in force,' which proved to be of no importance.

The victory of the Progressive Party is hardly a large one, when viewed in an historical light. The Progressive Party has sometimes received a high proportion of the vote and a larger Althing representation. It has not diverged from the national way of life; it is still a farmers party, although farmers decrease in numbers. It will have to increase its support in densely populated areas if it is to avoid becoming a minority farmers party of limited influence. It increased, to be sure, its support, both in Reykjavik and in the Reykjanes region, during the elections. But that support is not durable and is because of the popularity of Olafur Johannesson in Reykjavik and the candidatures of Sudurnes region people in the Reykjanes region. The party has always been friendly to inhabitants of the Sudvesturland region. Steingrímur Hermannsson said, after the elections, that he was not against changes in electoral district organization, if such changes were not made on the basis of 'one man, one vote.' What is the meaning of this riddle? It means that Steingrímur Hermannsson thinks that the votes of the people of the Reykjavik and Reykjanes areas should not count the same as those of the people of the Vestfirðir region. But what do the people of Reykjavik and Reykjanes say about that? Hopefully, at least, that won't increase their support in densely populated areas. And still he made use of deception in the election campaign and praised a painless reduction of inflation, which is unthinkable. Deception will change into debt which will become payable at the time of the next election.

#### Why Did the Independence Party not Win?

All of the political parties have a certain firm support which has come into being due to the history and actions of the party. But what brings about changes of support in elections: the party's battlefront with respect to political position, the election platform, the election campaign, and the leaders and candidates of the party. The party

battlefront with respect to political position was as good in this election as it was bad in the elections of 1974. But what is to be said about the election platform and campaign. I had no part in the composition of the Independence Party platform, or in the management of its campaign, so that I can examine these things from a certain distance. And both were, in my opinion, much better than in the elections of 1978. The platform was daring and yet practical, and the struggle was in accordance with party strength and shrewd. But, in spite of this, the Independence Party was unsuccessful in convincing sufficiently many in the election campaign that its platform was the most practical solution to the inflation difficulty and likely the war cry: 'blitzkrieg against inflation,' was badly chosen. The people were amazed when they read the platform (or about it), and little was explained to them. Some party candidates did not lay emphasis on the fact that a 35 billion krona reduction of state expenditures meant abandonment of planned increases of state expenditures and would return the money to companies and people, and they could put the money to better use than politicians and officials. They did not point out adequately that inflation is least in countries where price fixing is free, as in Germany or Switzerland. They did not emphasize sufficiently what a deception the decrease of goods' prices through price supports is when a tax increase is needed for the price decreases. The money is taken from one pocket and put in another, to great expense. They did not caution sufficiently against the unemployment which will become apparent if the public intervention of the leftist parties is pursued, and where are to be created the thousands of new jobs for young people?

But what has been mentioned does not get to the heart of the matter, and that is that many did not trust the Independence Party. Too little time has passed since the coalition of the Independence and Progressive parties was brought down and little revival has taken place in the ranks of Independence Party members and too few party candidates fought for its policies from conviction and a full understanding of the issues. And, last but not least, the independent candidatures of Jon Solness in Akureyri and Eggert Haukdal in Rangarvallasýsl spoiled much for the party. The timbers of the party were too weak, and it was not, in the minds of many, that strong, liberal mass party which one trusts when the democratic constitution is in danger. The party will be hardly better, in the minds of many, than those persons who fight for it. And what Independence Party members fought until victory on television and in mass meetings with Kjartan Johannsson and Jon Baldvin Hannibalsson, Steingrímur Hermannsson, Svavar Gestsson and Ólafur Grímsson, to name some of the most eloquent agitators of the leftist parties. Inertia still governs in the Independence Party; many of its candidates have nothing more to offer than an agreeable appearance; neither knowledge nor love of a scrap. Someone who does not, himself, believe what he says can hardly expect others to believe. I agree with what Thorgeirinn Pálsson wrote this year in his book "Uppreisn frjálsþyggjunnar" [Uprising of the Free-thinkers]: "We must win trust anew. It is not sufficient to accept public confessions of free-thinking in this sense when Alþingi representatives of the party adopt a policy of political

expediency in practice. Confessions of free-thinking must follow after the election of free-thinkers to the Althing."

But Independence Party members should not blow things up all out of proportion for themselves. The party has had its difficulties before. It lost in each election after the other from 1934 to 1942, during Olafur Thor's first years as chairman. The independent candidature of Arnri Jonsson from Muli in Reykjavik ruined much for the party in 1942, and there was such fervent struggle within the party concerning the national coalition of 1939, and the restoration government of 1944, that a split seemed close. But the party, in spite of that, has increased its support and the attack of the People's Alliance in Icelandic politics has come to a halt, although THJODVILJINN endeavors to conceal this in its noise about the 'loss of conservatism.' The Independence Party and the People's Alliance were separated by six delegates at the conclusion of the elections of 1978 and by 10 Althing delegates at the conclusion of the 1979 elections. Most dangerous for Independence Party members, in my view, would be for them to allow their adversaries to draw back from their ideals; since they can't achieve them with a leftist policy they will try to achieve them with a free-thinking or leftist policy, by an independence policy or socialism. Battles will be lost but the war will not end with defeat, no more than Independence Party members will believe what their adversaries say about their leaders and policies.

#### In the Power of Inflation Delusion

There are many paradoxes in politics. One is that some did not trust the Independence Party to solve the inflation question and did not, for that reason, vote for it, and other trusted it in this area but did not vote for it none the less. Many Icelanders fail to understand what the disease of inflation is and are in the power of inflation delusion. They are thus happy to receive more money for the same work as before, although it happens later for them that they can buy less with their money than before since the money declines in value continuously. Those who get loans feel that they profit from the fall in value of money, and care not that not only does what can be bought for a loan increase in price, but also it becomes more difficult to float loans. And where will the money for them come from?

Inflation is a disease since it forces people to hasty investments which are disadvantageous, and hurts depositors, especially those on fixed incomes, and creates discontent and uncertainty (is the call for 'strong-men' not token of delusion? And are the victories of demagogues not tokens of it?). All lose in inflation except for a very few speculators. Icelandic economists have estimated that the living conditions of the people would be a fourth better than they are now if there were not inflation. Inflation occurs because the politicians pump money out in profusion into the economy, and inflation will not be decreased except through restraint in money and state finances. And people increase it



with excessive demands for money due to the fact that they expect increased inflation and things to go on in a vicious circle. This vicious circle of inflation causes will have to be broken. The truth is that the growth of national production will halt on account of inflation and Iceland will lag behind other peoples in its standard of living. Can it be that the experience of 11 centuries will prove wrong? Can it be that the independence struggle of the people will end in defeat.

This matter must be taken seriously but one of the greatest problems in Icelandic politics is that far too few take it seriously. Politicians are considered clowns and the political struggle is considered a meaningless game. Politicians are also guilty, in Hannes Hafstein's words, of 'complementing the errors of the masses.' And people in mass communications are also guilty in that they select for publication or showing that which is most platitudinous in the political struggle, such as the unprecedented speech which Steingrímur Hermannsson gave at a candidate meeting at Thingeyri, and which was shown on television on the night after the elections. And people in mass communications allow politicians incredible deceptions because of their ignorance. Independence Party people have gotten use to the fact that people in national mass communications are hostile to them and have abused their positions, for example, television newsman Ógmundur Jonasson, in his report on politics in Israel shortly before the elections.

#### What Happens Now?

Some say that the voters have demanded a new leftist government. Who are these voters? The Progressive Party and the People's Alliance, which drew the conclusion from the elections that they elected a leftist government, received, together, 44.6 percent of the vote. These are doubtful foundations for their claim. It is another matter that it is most natural, at the close of the elections, for the chairman of the Progressive Party to attempt to bring together a leftist government, whether successful or not. I expect that if he is successful, that government will be short-lived. It will be tossed about on account of inflation since it cannot really come to grips with the issue unless it has recourse to those measures which the Independence Party called for during the election campaign: restraint in money and state finances. And it is clear to all, at the end of the elections, that electoral district organization will be changed. There has been great unfairness that the inhabitants of the Sudvestland Region have dominated for a long while.

There will be elections after these elections since Icelanders live in a democracy. The Independence Party is, by far, the strongest political party and it was the leader in the never-ending struggle for independence; it has great responsibility. It did not win these elections but it will win the next if it strengthens its timbers, does not allow its adversaries to retreat, and does nothing to rejoice them. It has nothing to lose and everything to gain.

GRONDAL: 1980 WILL BE YEAR OF NO GROWTH IN ECONOMY

Reykjavik MORGUNBLADID in Icelandic 19 Dec 79 p 12

[Unattributed article: "Benedikt Grondal on the Terms of Trade: One Should Not Rely on an Improvement Next Year"]

[Text] "As things look now, one should not rely, at all, on an improvement of the terms of trade next year and there a further indications of additional deterioration," said prime minister Benedikt Grondal in a report to the Althing yesterday. The prime minister did not present the policy statement for the beginning of the year at this time on account of the unresolved situation with regard to the government.

Benedikt Grondal also said in his speech that the prospects were for an unpromising oil price evolution in the world next year. Later in his speech Benedikt Grondal said: "At this time we may state that the betterment of the terms of trade which we enjoyed up to 1973, and during the recovery, particularly during 1977 and 1978, have been voided and the terms of trade are, in actuality, unchanged since 1970." And later the minister said: "On the whole, the increase in production was 2-3 percent, and that is less economic growth than previously. In fact, that is less than the average economic growth for the last 10 years, and during that time per capita national production increased by almost 4 percent a year, as a rule.

The prime minister also said, in his report, that: "We must recognize that government measures in recent years have not been capable of reducing inflation. The analysis for this year is the same as for many previous years, first and foremost, that we have neither been able to regulate state finances or money, nor has sufficient restraint been exercised in the area of price and wage matters. Foreign borrowing has gone beyond all bounds and credits for government operations have exceeded estimates, and one might go on in this way. This problem requires answers during this session. It is urgent to deal with the matter as soon as possible."

At the conclusion of the speech of the minister, Geir Hallgrimsson, chairman of the Independence Party, took the floor. He said that the analysis affirmed that which Independence Party people were saying before the

elections, and it is clear that things are heading towards a check for the economy, and unemployment, if the matter is not dealt with swiftly.

Steingrímur Hermannsson, chairman of the Progressive Party, said that all that was true and correct, what the prime minister had said about the economic situation, and he, in fact, had said it last August himself.

Ragnar Arnalds, chairman of the Althing delegation of the People's Alliance, said that it was the People's Party and the Independence Party that bore the responsibility for the prevailing anarchy.

Fridrik Sophusson, an Althing representative of the Independence Party, said that Althing representatives had a right to know how government formation attempts were coming, and why Steingrímur Hermannsson was now so pessimistic after being so optimistic a short while ago, on the formation of a new leftist government.

11,433

CSO: 3111

## FISHING VESSELS OWNERS' CONGRESS WEIGHS OIL COST EFFECT

Reykjavik MORGUNBLADID in Icelandic 13 Dec 79 p 12

[Unattributed article: "Kristjan Rabnarsson in a Speech at the Congress of the National Alliance of Fishing Vessel Owners: We Will Free Ourselves, to a Considerable Degree, From Russian Oil Conditions Next Year; Oil Costs for Fishing Vessels Have Increased 22.4 Billion Krona in a Year"]

[Text] Last year, the oil required by the fishing fleet cost 7.850 billion krona. On the other hand, the same quantity of oil may cost 30.000 billion krona when the price increases, which await government approval, take place. They are based on a \$329 price but the price on the Rotterdam market is now \$362, so that oil may increase by another 10 percent, in all, above the expected increase. The increase of oil costs for the fishing fleet is thus now 22.450 billion krona or 28.5 percent.

These facts were mentioned, among others, in a speech by Kristjan Ragnarsson at the Congress of the National Alliance of Fishing Vessel Owners, which began yesterday. Kristjan Ragnarsson also spoke about the oil trade with the Soviets and said that: "When we carried out discussions with Russia concerning the oil purchase for next year, the new price standard, which is based upon the actual trade price, was discussed last. There was no way around this, and it seems as if the Russians were resolved to put on the screws since our delegates returned home only with those changes which led to expenditure increase, that is, increased portage, increased interest, and a shortened payment period."

Later Kristjan Ragnarsson pointed to other possibilities for oil purchases and said that we have been successful in achieving an agreement with the British National Oil Company, whereby they will sell us 125-150,000 tons of gasoline next year. "The price will be comparable with that which obtains in western Europe. Effort has been made to make this a long term trade so that that company will sell us other kinds of petroleum products also, and still more gasoline after 1980. It is to be expected that we will free ourselves, to a considerable degree next year, from those oil conditions which we have had to accept from Russia at this price, whatever happens with the price for gasoline," Kristjan Ragnarsson said, among other things. Kristjan Ragnarsson said that it was unlikely that Norwegian and Finnish offers for benzine and gasoline would be accepted on account of the slight price difference.

## BRIEFS

HALLGRIMSSON FOREIGN AFFAIRS COMMITTEE HEAD--Geir Hallgrimsson was elected chairman of the Foreign Affairs Committee of the Althing yesterday. Geir Hallgrimsson received the four votes of the Independence Party members and of Arni Gunnarsson, delegate of the People's Party, and Steingrimur Hermannsson received the three votes of the Progressives and the People's Alliance. Arni Gunnarsson was chosen vice chairman unanimously and Johann Einvarðsson secretary. Geir Hallgrimsson opened the meeting as first on the Independence Party list and Steingrimur Hermannsson requested a postponement of the election of a chairman since the Progressive Party and the People's Alliance wished to seek the cooperation of the People's Party in the matter. Geir Hallgrimsson said that he would approve the motion but then Arni Gunnarsson announced that the People's Party had agreed to support Geir Hallgrimsson for the chairmanship of the committee. Steingrimur Hermannsson then withdrew his request for a postponement and the election of a chairman was carried out. [Text] [Reykjavik MORGUNBLADID in Icelandic 19 Dec 79 p 2] 11,433

UNEMPLOYMENT UP--Unemployment has increased somewhat recently and according to registers of the Ministry for Company Matters, there were 549 unemployed in the entire nation at the end of November and 295 at the end of October. There are 407 unemployed now in the municipalities and 235 at the beginning of last month, eight in towns of 1000 inhabitants, but two in October, and 134 unemployed in other towns now and 40 at the end of October. Unemployment increased in all municipalities except in Siglufirdir, where it decreased from 35 to three, and in Keflavik, where unemployment decreased from 18 to 13. [Text] [Reykjavik MORGUNBLADID in Icelandic 8 Dec 79 p 2] 11,433

CSO: 3111



## PCI'S AMENDOLA DEFENDS LINE WHICH CAUSED CRITICISM

Rome RINASCITA in Italian 7 Dec 79 pp 11-12

[Article by Giorgio Amendola: "Sacrifices in Order To Save Italy"]

[Text] My article has provoked, as I planned, a lively debate, within the party and within the country. Within the party, the debate is being carried on in an open and correct way. I have received, naturally, both criticism and approbation. When I maintained, in the Central Committee, that I wanted to be isolated, I meant that I wanted to fight my battles alone, as I have always done, without being supported or restricted by prior agreements with groups or factions. And that is the essence of democratic centralism. In reality, during the course of the debate, I never felt isolated and I received, along with criticism, approbation as well, from within the party and from outside it.

I know very well that much of the approbation has an ulterior motive and that they are trying to make use of the criticism of me to hurt the party. This has always happened, but these blatant maneuvers have never prevented the party from proceeding to renew its policy and its organization with self-criticism when this has seemed necessary. Much of this approbation, on the other hand, honors me and should honor the entire party, because it comes from persons who are worthy of esteem and, especially, from Italians who do not usually become involved in politics and who today perceive how in the Communist Party we are discussing the problems of the country and not the positions reserved for the various trends.

The loud echo provoked by my article does not originate only from attempts to make political use of it. It demonstrates, on the contrary, that many Italians appreciate plain speaking, free of the incomprehensible jargon of the professional politicians. They want plain language, which does not conceal the truth, however unpleasant it may be and which proposes telling the truth or, more modestly, what they believe to be the truth. The Italians are tired of lies and hypocrisy, of half-truths, of one-sided arrangements. They want to participate consciously in the major decisions, that is, in democratic life, in full possession of the necessary information. They can no longer stand state or party secrets.



Nobody can dispute the seriousness of the questions which have been raised: the race toward inflation, the state of the labor unions and their means of action, the delays in the fight against terrorism. These are problems which will necessarily be studied thoroughly in various places. There have been attempts to reevaluate my analysis, to justify, to recall the difficulties of the situation and the space I am supposed to have conceded to the enemy's action. But from the debate have also come elements which aggravate and do not attenuate the denunciation of the state of the crisis in which the worker movement finds itself. We have heard of serious incidents of violence in the factories and of insufficient democracy, up to now carefully concealed.

They have also tried, starting from diverse directions and with diverse intentions, to criticize more what was not in my article, the so-called omissions, that what I had in fact written. If I had had to repeat what I had written so many times, even recently, and what has often been challenged by my present critics, I would have had to send to the editor of RINASCITA not an article, which is already too long, and not even an essay (but what is an essay?), but a whole book (which few would have read). I cannot quote myself and indicate when and where I confronted the subjects which today I have treated as settled, to concentrate in a round about way, in a certainly unilateral way, attention on the problems which are burning issues today. I want to stop at two examples. Not only have I on several occasions maintained, and with stubborn coherence, the necessity of modifying the type of development, imposed and controlled by the great monopolistic groups and carried out with the determining cooperation of the governments directed by the DC [Christian Democratic Party] and of their allies and satellites at times from the right and at times from the left (center-left), but I have denied, since the old days of the Vanoni plan, and of the "additional note" by La Malfa, that one could speak of development of the Italian economy, when it was a question of expansion based not on the resolution of the historic contradictions of the Italian economy, but on their deepening and the worsening, first of all, of the southern question. Barca will recall the debate, promoted by the Gramsci Institute, at the Eliseo in 1962, on the "Tendencies of Italian Capitalism," when they managed to affirm the liquidation of the southern question, which had already occurred.

Minucci wanted to make me aware, with concern, of the existence of a general crisis of international capitalism. I do not want to limit myself to recalling how many times I have indicated the prospect of a world crisis (as did our late regretted and too often forgotten comrade, Antonio Pesenti), for instance at the meeting of the Gramsci Institute and the CESPE [Center for Studies in Economic Policy] of 1970 on "Italian Capitalism and the International Economy." I recalled that modern capitalism could control the functioning of the cycle, but not prevent the outbreak of its internal contradictions. That prospect was greeted with demonstrations of pity, as the expression of an old communist veteran or Third Internationalist language. Only a short time ago, an article of mine on "The Crisis of Capitalism" was

judged by many comrades to be catastrophic, and, once again, old-style communist. For many, the crisis is nothing other than an aspect of development. And the very expressions, "capitalism" and "imperialism" are being considered as obsolete. One would have had to speak instead of functional difficulties of the advanced industrial societies (the size of the company, etc.), appraised without any qualification of class. What are these "difficulties," today, if not the expression of the changed relationship of force between industrially advanced capitalistic countries and countries stagnating in conditions of extreme backwardness?

The expansion of capitalism occurred during the long postwar period, through a series of conjunctural crisis, with constantly more rapid recurrences. And now there is not only a conjunctural crisis, but a crisis of long duration, which can find an outlet either in war (atomic) or in the creation of a new economic world order, that is in disarmament and in peace. The latest news indicates how the danger of a war hangs over everything. I could continue on the subject of my so-called omissions, but I will stop here. These are subjects which regard exclusively the professional politicians. The Italians do not care what the positions taken by me or Barca, by Minucci or by others over the years have been.

I want, instead, to stop on the point which regards everyone: the sacrifices necessary for the salvation of the country and the existence of a possible counter offer. I insist on the existence of an enemy made up of the party of inflation, which aims toward overcoming the crisis through the unchaining of a wild and uncontrolled inflation. This party is aided by the inflationistic stimulus which is operating throughout the world and which will last a long time, because it depends on the insufficiency of supply in the face of a very rapid increase in demand.

The party of inflation demands, directly from the state or indirectly, through the banks with state guarantees, continually more money, for the rescue and relaunching of certain industries. This tends, with inflation, to reduce the debts contracted with the banks and to satisfy the demands of the workers through indexing, which is paid for by the entire collectivity. But that is not enough. If the cost of living index and the indexing system which is being used no longer suffice to compensate for the rise in the cost of living, there are categories of the working class which demand other salary increases, paid, in the final analysis, by all the Italians, through social welfare taxation. This does not matter to the party of inflation. Already today many industrialists are handing out "generous bonuses" which contribute to an increase in a general demand for goods for immediate consumption. It does not matter to that party if inflation, which was already 20 percent in 1979, is increasing toward rates of 30 percent for 1980-81.

The party of inflation is certainly not homogenous. There are those who aim toward inflation and those who (even if they claim the contrary) do not dare to really oppose this line in the only way possible today, which is

not that--I say it again--of a recession provoked by monetary or credit measures, but that of an increase in productivity. There are also among the Christian Democrats men who see the seriousness of an unbridled race toward the precipice, but who are prisoners of the logic of management. They cannot stop the permissive and welfare-minded practice of contenting everyone, if one with promises destined not to be kept, and to capitulate before all the simultaneous and at times contrasting pressures of the capitalistic groups and the corporate demands, yielding before the strongest ones and forgetting the weakest ones, the unemployed, the alienated ones, the South.

The Communist Party cannot follow such a route. We must know that, to help the South, the unemployed (the real and not the bogus ones), women and the young people, we cannot support the demands of a corporate Maximalism, which is proposed by the stronger categories, who have won salary increases above the rate of inflation. One cannot say yes to everybody, one must choose. If one has to support the sacrosanct demands of the railroad workers, one must not support, for instance, the demands of the categories like the bankers who receive, in addition to high benefits, 15 or more monthly salary checks per year (that device which revolutionizes the very notion of time). And I could continue with more examples.

There is, therefore, an enemy, the party of inflation, the party which is leading the country to ruin. The existence of such an enemy was openly denounced in my article, along with the criticism personally directed toward the Agnellis, who think erroneously that one can assure the running of the company without seeking the participation of the union in the development of the programs of investment and of technological renewal and in the democratic control of the carrying out of the agreed upon projects.

It is illusory to expect from the men of the party of inflation, who for decades have taken abroad the fruits of speculation, which was often criminal, by people who do not know what patriotism means, worthy sons of those bosses who supported fascism and upheld it to the end for their own fraudulent enrichment (weapons which jammed, tanks armored with tin, tires which burst, cardboard shoes) and who collaborated with the German occupiers; it is illusory to expect from those people examples capable of persuading the Italians to make sacrifices to save the national economy. From such pulpits, the sermons become blasphemies.

What can we expect from a Crociani, from a Caltagirone, to name the most recent ones, or from the men of the Christian Democratic Party, who were involved in a thousand scandals (from the Lockheed affair to Italcasse, to the ANAS [National Road Board]) or compromised in the dirtiest adventures (from the SIFAR affair [Armed Forces Intelligence Service] to the massacre of Piazza Fontana), through silence, connivance, false testimony? It is obvious that before such examples and before the examples of the most well known tax evaders who are paying ransoms in the billions, with declared

incomes of a few tens of millions, many workers are led also to seek their own interests, disregarding the consideration of the general interest. Why should I be a fool, exclaims the unemployed worker or the one in a precarious position when he sees that he cannot find a stable job without the right recommendation. The corruption encouraged by the DC Party is becoming widespread and it creates a base contrary to any recovery, because people are afraid of seeing compromised their own miserable conditions of privilege (abuse of disability pensions). The enemy gets his own and it is useless to ask him to tie his own hands so as to be able to beat him more easily. He plans to demoralize the working class, to increase the contradictions within the people, to spread distrust or suspicion, to provoke the categories against each other, to make more intricate the jungle of family allocations and conditions. And he has already partly succeeded in this work of the corruption of conscience. He is trying to use the discontent, created by his behavior, against the republic in order to prepare an authoritarian solution.

The growing distrust of institutions can be fought if a great uncorrupted force, which is both national and democratic, like the PCI, if the unity of the antifascist and democratic forces based on a program of recovery, of renovation and of transformation of Italian society succeed in changing into an organized democratic force the traditional discontent of the citizens who are tired of the spectacle of unpunished scandals, of the connivance and complicities which help terrorism, of the poverty of a political struggle degraded by shabbiness and intrigues, and of petty personal vanity, of unpunished tax evasion, of disorders in the public services, of the failures in indispensable public works (housing, schools, hospitals, sewerage, waste disposal) and also of the daily multiplication of strikes, which are not always justified, of sudden stoppages, of demonstrations paralyzing the life of the large cities.

The people want order. They can no longer stand the increasing number of terrorist acts. Every day, now, there falls a murdered or wounded carabinieri, policeman, clerk, technician, worker or magistrate, journalist, lawyer. Every evening, television brings into our homes pictures of violence which goes unpunished, of political crimes and of ordinary crimes, if one can still distinguish one from the other. At the funerals, now, the voices of those who are demanding the death penalty are becoming more and more excited. In the evening, the streets have become a desert. Fear is growing.

Either we learn how to create a new order, based on justice and freedom, or there will be passively accepted an authoritarian order, imposed by a new "savior of the country." Minucci criticizes me because I would make an equation inflation equals fascism. There is no direct and immediate relationship, certainly, but wild inflation, general indexing, have always opened the door to fascism. In Italy, because of the strong democratic and national conscience achieved during the course of the Resistance and of the progressive struggles led during the 30-year period of the republic, the



people, if united, still have the strength necessary to prevent an authoritarian solution. But the time we have left for an effective mobilization and to arrive at a democratic solution is very brief.

The Italians do not have any counter offer to ask of those who are obstinately defending their own positions and who are ready to accept the general ruin of the country in order to protect their own petty interests. In 1938, the French middle class preferred Hitler to a continuation of the experience of the Popular Front. The only counter offer which is of interest to the working class and the Italian people, which would induce them to accept the sacrifices necessary for the salvation of the country, is precisely Italy's future. The others, the biggest capitalists, can pull out of the country, bag and baggage, and they have already begun to do so, while the people stay on their native soil, where their sons and grandsons will grow up. There cannot be any difference or contradiction whatsoever between the salvation of Italy and its transformation. Italy can be saved only by being transformed. Nobody can think of putting out the fire, only to rebuild the old house which is now in ruins, or to restore a type of expansion which we have always fought and which today has entered into a crisis, internationally and nationally, because of the elimination of the bases on which it was founded: cheap raw materials (oil) and, in Italy, the unlimited availability of labor.

One cannot turn back, really, even if one wanted to. The current attempts in England to resort to a conservative neoliberalism are condemned to failure. We would have to go even further backward, to the Strauss plan, to make of Western Europe a "white stronghold" based on racism and xenophobia, in a world which is moving tumultuously toward liberation from the old imperialistic rule. It is an insane plan, because Europe cannot live in isolation. But once before in the past, an insane plan brought Europe into the furnace of a devastating war. And now there is the atomic bomb. Does not the retreat of the left in so many parts of Europe teach us anything? Nobody can claim to affirm that I want to turn back. It is a matter not of turning back, but of seeking the difficult routes for transformation. It is a question of leading integrally, into the healing process, the renovating and transforming action which is indispensable for the salvation of the country. One cannot point to a first and a second step. First, the salvation of the country and then the transformation, or vice versa, as if it were a question of putting one box in the place of another. I have always rejected, in clear arguments, the antihistoric idea of proposing a model for transition to socialism, or a plan for the future city foreign to the reality of the current process. We must, on the contrary, insert into these processes elements of democratic transformation and of socialism, as we tried to indicate in the medium-term plan.

It is not a question, certainly, of limiting every effort only to "guaranteeing the functioning of the companies, of the services, of the institutions, of the state." But are there any among us communists who would like to promote

the nonfunctioning of the companies, of the services, of the institutions, of the state? At the point at which we have arrived, the very functioning of the institutions demands a task of healing and transformation. It is the struggle which we have always led to carry out the Constitution and to translate into practice the progressive indications which it contains. It is a difficult struggle, because to be victorious requires the formation of a majority of the people which does not yet exist. This struggle can advance if we aim for concrete and precise objectives. At the beginning of the 1960's, when wages were extremely low and by far inferior to the increases in productivity, it was a question of fighting for wage increases, for the "pennies" so despised at the Third Conference of Factory Communists (Genoa, 1965), rejected scornfully by many of my current critics, "pennies" to be obtained within the framework of a democratic planning, of structural reforms and of the great tax, welfare and insurance, health and scholastic reforms. The demand for "housing, schools, hospitals" seemed too moderate, "social democratic," they were already saying then, before the grandiose plans for transition to socialism, so moderate that even today, 15 years later, "housing schools and hospitals" remain objectives which have not yet been met.

There is no immediate alternative between the maintenance of the existing system and its transformation. Those who affirm the contrary kindle among the young people hopes which cannot be realized, destined to create disillusionment rapidly, as was the case of the hopes of 1968, "everything and now," and to thus form the breeding ground for extremism and terrorism. A tenacious struggle is needed to insert into the old ground new sprouts, destined to grow with the struggle and the consent of the people. Today, this struggle is made more difficult by the consequences of 30 years of Christian Democrat mismanagement, by the world crisis, by the growth of inflation because of external and internal factors, by the increase in costs of production, by the swelling of the public deficit, by the prospect of a minimal percentage increase in the gross national income in the next few years.

A project for the salvation of the country, and of concomitant indispensable transformation, requires struggle, sacrifice, rigor (I say rigor because austerity often is presented, in order to attack it better, as rigorism, moralism, preaching), union self-discipline, the halting of the race toward an unbridled corporative Maximalism. In the Central Committee, everybody has affirmed that the passage to the opposition must not mean yielding to Maximalist pressures. But this orientation must be translated into acts, and this does not always happen in a coherent way. The Cossiga government must be criticized not because it concedes too little, but because it concedes to the rich and to the most favored and refuses the needy, because it yields before the claims of the corporations and of the strongest and reserves for minorities of the privileged, which exist even within the working class, the sums destined for productive investments in the new sectors of advanced and energy technologies, in agriculture and in the South.



We must build, under the pressure of the events which are taking place one after the other, a broad system of alliances and of cultural, political and social mobilization. The majority of the Italians are made up of honest citizens, present in all the democratic parties, even in the DC, who bitterly fulfill their duty and remain, despite everything, at their post. There is a working class which has kept a strong national and democratic conscience and which wants to fight against the forms of violence and corruption (unjustified absenteeism) which have penetrated even the factories. There are craftsmen, managers, businessmen who are giving proof of capability and ingenuity. There are peasants, often associated in cooperatives, who have reached high levels of productivity. There is a majority of young people who work and who study. There are artists, writers, scholars and researchers who honor Italian culture. These are the real bases of a policy of national solidarity founded on the coming together of communist, socialist, lay and Catholic forces. The national solidarity formed on such a base is the opposite of the hypocritical declarations of national solidarity made by various Christian Democrats, accompanied by the pretense of having the backing of the communists, used to keep all the power within their hands. With this nonrenewed DC, there is no agreement to be sought.

We must observe with confidence the majority of honest men ready to do their work and not scorn it and run after a small extremist or radical minority, which has sheltered and shelters terrorism culturally and which supports an elitist subculture which scorns the people, which ignored, for instance, Toto, and today only is discovering him with his eternally starved dramatic mask. A broad popular mobilization can be obtained with a clear indication of the incumbent dangers, of the numerous sacrifices which are necessary and of the condemnation of the ambiguities, of the dissimulations of reality, of the shrewd tactics (which are the opposite of a tactic directed toward permitting the execution of a strategic plan). I am convinced that a direct appeal to the Italians to save the country and to renew it in liberty will be widely accepted.

We must do battle, certainly, and not run behind the masses, the movements which would have pretensions to express the true vocations of the masses, while they translate only the corporative and sector demands or the illusions and the hopes contrasting with the hard reality of the relationship of force. It is necessary for the party to fulfill the function which is proper to it, Leninist and Gramscian, to be the leading force of the nation in loyal competition with the other democratic forces, to conquer and to reconquer, day by day, a hegemony, not claimed in advance, but obtained with work developed for the salvation and the future of the country. The party, Togliatti taught us, is not the end, nor is it a neutral administrative organization, but the instrument of a political will to save the country and to advance on the national route toward progress and socialism. He left us numerous examples of initiatives which found at first, within the party and the masses, immediate and spontaneous resistance: from the "Salerno Turn" to the vote for women and the approval of Article 7 of the Constitution, to cite only a few examples.

The current discussions within the party is open to all citizens. It must continue with clarity and the development of mass action. The discussion does not oppose the party's work, on the contrary it favors it because it contributes to promoting a full and conscious mobilization. A party ruled by democratic centralism demands a more open confrontation between the comrades and the rank and file with respect to the conclusions of the majority. Berlinguer made a clear speech, without attenuating the criticisms which he felt obliged to make of me. And I thank him for such honest frankness, even if I cannot accept the call to the basics of communism, or to the eighth annotation of Marx at Feuerbach (which was a decisive point of my passage from idealistic historicism to historic materialism).

Those who hide behind the person of the secretary general of the party with diverse and contrasting arguments do not contribute to the necessary comprehension of the exact terms of the dispute. Thus, an ambiguous and fictitious unity is created. Instead, a real political unity is indispensable to guide the united party in the difficult struggle for the salvation of the country. I do not believe, I have never believed, in the validity of a crafty unity, which protects dissent and takes away from the party its capacity for initiative. Everyone assumes his own responsibility and then, whatever his personal positions, accepts in a disciplined way the decisions of the majority.

If we want to earn the trust of the Italians, we must tell the truth, the whole truth.

8956

CSO: 3104

## PCI ORGANIZES WOMEN'S PROTEST IN PALERMO

Palermo GIORNALE DI SICILIA in Italian 21 Nov 79 p 5

[Text] Just like a community council meeting yesterday morning at Aquile Palace. The only difference was that the benches were not occupied by the council members, as usual, but rather by women. Mothers, working women, coeds, and housewives from the historic downtown section and the suburbs, who had come to participate in the "day of struggle" organized by the PCI [Italian Communist Party] throughout Sicily.

The struggle is directed against the failure of the communities which--according to a flyer distributed on Pretoria Square--"have been unable to come up with responses in terms of specific achievements for the Sicilian women." Among the requests addressed to Mayor Mantione and council members Basile and Lorello, who were present in the council chamber, more in the nature of accused, rather than members of government, there was the immediate opening of the kindergartens and the family consultation offices.

News about the consultation offices was provided by Benedetto Basile, the council member in charge of health, who noted that the board, some time ago, debated the issue although the matter did not come to a vote during the last session of the community council because, when the moment came, there was no quorum. Basile added that the problem will be taken up during the next council session which will start next Tuesday, on 27 September.

Three PCI community council members--Sanfilippo, Pirrone, and Aliotta--spoke out on this matter; they headed the delegation of women. According to the communist representatives of the civilian administration, it was not just by chance the council did not have the necessary quorum when the problem of consultation offices came up. This supposedly was a real act of boycott organized by the Christian Democratic group which wanted the establishment of private consultation offices of a sectarian nature.

Public works council member Piero Lorello talked about the kindergartens; in substance, he maintained that the pertinent program is being carried out. "If there have been any delays," said Lorello, "they are to be blamed on the entry into force of the new energy savings law. Because of

the new standards, as a matter of fact, it was necessary to revise the blueprints in order to make thicker walls, ceilings with heat-proofing, as well as air chambers between one wall and the next, etc."

As we know, the region has assigned 37 kindergartens to our community. At this time, 21 are under construction (the foundations have been finished) while the board, the day before yesterday, approved the planning of another 15 kindergartens.

The women gathered in the council chamber (about a hundred) however did not get any concrete responses on many other points. With regard to welfare, they demanded an accounting of the use of pertinent funds and they stressed the advisability of being able to participate in the decisions made by the council members so as to impose new methods of action in that direction and above all with regard to the welfare services for senior citizens and the handicapped.

It was furthermore revealed that 9.9 billions were budgeted for the construction of preschool facilities in Sicily. The immediate opening of all of the already built schools was therefore demanded, along with the full utilization of funds earmarked for new construction and the implementation of full-time dining room operation.

Advisor Basile also spoke out on this matter; he noted that the pertinent bill was approved by the provincial control commission only the day before yesterday and that it therefore can be considered operative only now. Agreements are now being renewed with some cooperatives for the supply of ready-to-eat food.

5058

CSO: 3104

## CGIL GENERAL SECRETARY ON TRADE UNIONS IN SOUTH

Bari LA GAZZETTA DEL MEZZOGIORNO in Italian 2 Dec 79 pp 1,24

[Interview with Secretary-General Luciano Lama by Federico Pirro: "Amendola's Mistakes and Ours"]

[Text] Disagreements on EUR [Universal Exposition of Rome] policy. What all happened in the South. What is the role of the labor union today in a society which popular forces wants to push toward profound changes? This is a question which was much easier to answer during the Sixties; in our days, this issue is extremely complex. We discussed the situation with Luciano Lama, CGIL [Italian General Confederation of Labor] secretary-general, who was in Bari in connection with the activities of the meeting of Southern PCI [Italian Communist Party] cadres.

[Question] In what way do the theses advanced by Amendola differ from the EUR policy?

[Answer] Here is the most noticeable difference: The EUR policy is completely geared toward a change in the Italian society in terms of economic planning and development and with particular reference to growth in the South. A real and proper assumption of responsibility by labor. Amendola's article does not bring out this ultimate goal; I do not intend to charge him with not wanting to change this society. I am merely saying that he does not clearly and explicitly present this goal as the reason why certain sacrifices must be made. His thinking, such as it was presented, seems to tell us that those sacrifices are to be made essentially to salvage the situation, such as it is or such as it was. At this point we must take into account the desires of the workers, in other words, whether they want to accept certain hardships in order to restore old situations; but I am only saying that this is illusory because I do not believe that one can restore the Italian situation without profound changes.

[Question] How do you explain the failure of the link between the organized workers and the students?



[Answer] When we talk about the students, we are not facing an organization, but rather movements which in recent years experienced strong fluctuations also in terms of their capacity to work out a strategy and they often revealed a maximalist character in their most vociferous leaders. The difference in orientation with respect to the vast mass of workers in the end brought about a division—a relative one, naturally—between the workers and the students. I am trying to say however that this is a field in which we ourselves feel the limits of our action because we cannot break relations between the working class of today and the leading classes of tomorrow. In this sense, we feel the weight of a kind of strangeness on the part of the students with respect to events in the area of labor, the struggle of the working class to change our society. This lost ground will be recovered but this will be done by building relations along a political line.

[Question] Looking at the hidden economy, at unemployment--what mistake did the labor union in the South make?

[Answer] Well, we did make quite a few mistakes. The class policy which we seek to pursue in support of the demands of the workers in the South and its development do not spring from the action of the labor unions alone. The labor union movement faces a spontaneous choice of objectives springing from the very nature of the labor union: An organization of workers for the defense of their own interests. The strategy of class unity in order to change the South must be assimilated, understood, acquired. I repeat, it is not the spontaneous fruit of an irrepressible demand of the workers in the North. This objectively constitutes a difficulty—a permanent difficulty because it is necessary to awaken the awareness of millions of persons. On the other hand, it does not take much to convince those millions of people to defend the sliding scale, to demand wage hikes, and so forth and so on. Well, we did not manage always to give this demand for class commitment toward the South a specific character. Another mistake was for us to be satisfied sometimes with roughly outlined platforms, without establishing a direct connection. Perhaps it was a mistake to give a strictly controversial character to the specific struggles, without taking into account that we need a profound change in national economic policy in order to tackle the real problems of the South. Certain matters therefore could not be handled just like any other dispute and in that way the problem somehow got away from us.

[Question] In an article published by us, Professor Galasso seems to offer a contribution to the analysis within the South which, because of its emptiness, works against any kind of pressure.

[Answer] Galasso says two things which are correct: Farmers, as a force, constituting the pivot of anti-Southernism, disappeared from the scene; at the same time, farm labor, that is to say, the most authentically Southern component, has become weaker, lacerated by emigration. This analysis brings out one true aspect of the situation such as it really is.

But now, I say, if we admit that the internal forces in the South are weaker than in the past, there is even more reason to consider that the contribution of the North to this battle for change is irreplaceable. Assuming that it were possible (and history tells us that this was not possible even under the conditions that prevailed 30 years ago) to bring about this change with the forces of the South, this is not feasible today, as Galasso maintains so convincingly. It is now necessary to involve the North as a worker force in terms of nationwide participation. This is a line along which the worker movement and the left should be thinking; but I believe that comrade Amendola should also do this.

[Question] What is the link between the recent shakeup inside the FIOM [Federation of Those Employed in Metallurgical Industries] and the objective absence of results in the South?

[Answer] There is no link. I would more simply talk in terms of a discussion that is underway in this category to bring about a different distribution of its own forces from the center toward the periphery and viceversa; a transfer between horizontal and vertical structures which, quite by chance, has always been traditional in the CGIL. I will never forget that, ever since Liberation, two out of three secretaries of the CGIL were holding responsible office in the FIM, that is to say, Novella and I myself. We cannot rule out shifts toward territorial structures; but this should not signify a desire to inflict some blow upon the FIOM or the FLM [Federation of Metalworkers]. Of course, mistakes are going to be corrected but we are not going to lose the essential values of basic unity within the FLM.

5058

CSO: 3104

CISL REGIONAL SECRETARY ON STATE OF SICILIAN BRANCH

Messina GAZZETTA DEL SUD in Italian 2 Dec 79 p 14

[Interview with Secretary Sergio D'Antoni: "Defend the Shaky Categories Against the Consequences of the Crisis"]

[Text] Sergio D'Antoni, regional secretary of the Sicilian CISL [Italian Confederation of Labor Unions] talks about the effort which the white labor union is making inside and outside in order to cope with the difficulties of the moment. We interviewed the organization's regional secretary Sergio D'Antoni, a member of the Confederation executive committee, as well as governor of the USP-CISL of Messina during a break in the activities of the provincial CISL cadre meeting--which debated the assumptions for the organizational reform in order better to respond to the needs of the workers--following the requests and indications of the general council of the labor union itself. He is one of the new men who, in the CISL, are promoting the debate on the organization's renewal and its strengthening within the general context of the labor union movement.

[Question] First of all, D'Antoni, how is the CISL doing in regard to the meetings which are taking place throughout the country these days? Have the old internal disagreements, which for so long divided its organization, been resolved?

[Answer] The meetings which we are now holding, halfway between one congress and the next--the one in 1977 and the next one which will take place in the spring of 1981--constitute a review of the organization's state of health and I can assure you that the CISL has never before been in such good health.

We achieved our internal unity, which is a gain to be protected and, we emphasize, not to be confused with the search for unanimity, which is

something entirely different. The Messina CISL likewise--which is now emerging from a difficult situation--is facing the new contingency, with courage and a spirit of sacrifice, under better conditions. What we have here is a real review of the work of the leadership group toward a substantial convergence within the context of moving toward the establishment of the local authorities and the merger of categories.

[Question] What is the position of the labor union, within society, against the background of the difficulties which the country is experiencing?

[Answer] This is a serious and dramatic moment; the crisis, which we are going through day after day, is an objective one. The attack on the life of the workers and on society is almost unprecedented.

What this boils down to--as anybody can plainly see--is an attempt to re-dimension the role and the life of the labor union. But the labor union is holding on and is moving ahead during a moment of crisis in institutions and of involution of parties and companies.

The labor union maintains that an overall adjustment is necessary; relationships between the government and the parties sustaining it, even if with a no-confidence vote, must be tailored toward the interests which the working class upholds.

We need an administration which will really govern, in long-range terms. Something other than blank half-years; here, the blank half-years last 5 years. The labor union must do its job also in connection with daily contingencies. The motivations behind the struggle which the labor union conducts are serious and are strongly felt by the workers. We cannot shift the consequences of the crisis to the weakest worker categories. The authorities of the workers in the South, of the farm laborers, of the unemployed, and of the retirees must not be considered in a residual and subordinate manner with respect to the interests of the other worker categories and the other zones.

The dispute opened with the government concerning the reorganization of social welfare and pensions, the increase in family allocations, the different rates in the sliding scale also for retirees, and tax reform--these constitute struggles with a Southern accent within this context. The labor union agrees with the pursuit of policies of recovery and struggle against waste in order to help the weakest social strata but these have to be serious policies, agreed upon with the social partners, without any assumption of prevaricatory attitudes which would not solve anything.

Your question also contains a reference to the terrorist and mafia phenomenon which is plaguing the North and South. The labor unions, in general, and the CISL, in particular, repeatedly expressed their thinking on this point.

The terrorists and mafia challenge is intended to lead to a situation where society simply would not function, followed by the collapse of institutions; the workers and the labor union clearly assert that both of these phenomena are compacted as they operate deep in the social sphere, concealing the steps against terrorists and mafia violence with investment and development policies, denying the ever-growing disadvantage of the South, also avoiding the encounters which are so dear to the mass media, for example, between the mafia and the Sicilians.

[Question] What shape is the CISL in, within our region? Is a process of renewal underway here?

[Answer] The CISL in Sicily is involved in a process of increasing its strength and improving its condition; it is tending to become a popular labor union, capable of gathering up and understanding the levels of authority of the workers, the young people, the women, the old people, the unemployed, and definitely establishing a total relationship with the working class. This is also in line with the specific nature of the CISL in the combined context of its role and its autonomy. This is why we want to open our structures to the less protected worker categories, to the young people, to the women. With this in mind, we established a regional training school and, several months ago, we launched a different printed information method which is yielding optimum results.

[Question] What is the union's judgment on the activities and initiatives of the Sicilian regional administration?

[Answer] It does not seem to us that the administration is moving with a full awareness of the fact that it is facing an extremely difficult moment in the life of Sicily, a moment when we need a maximum of efficiency, of rigor, of serious decisions that will have the proper effect on the region's social and economic fabric. Beyond some personal efforts by the chairman of the regional board, which are quite meritorious and generous, we are witnessing an involution in the manner of government, in terms of the continuation of patronage practices or simply attitudes which are more personal than group-oriented. We must instead absolutely promote not only a reform design for the region, which would be aimed at economic planning and at the local government levels, as an instrument in implementing this economic planning effort; this design however would also have to be capable of reviving the regional autonomy as an instrument of strong contract negotiations with the state concerning the unresolved issues, starting with points of industrial crisis (for example, IMSA in Messina), as well as those that are more closely related to the regional decisions, such as the commitment to a more productive agriculture, the development of civilian services, and the effort to make our cities more habitable. It is absolutely indispensable immediately to move on to the implementation of a special plan designed to provide jobs, as proposed by the CISL and the labor union movement.



We calculated that, in Sicily, in the public administrations, including the local entities, one could immediately create 34,000 jobs. We have also requested that competitive examinations be given very quickly in connection with these job assignments. When it comes to employment the regional administration must realize that all of its credibility is on the line.

5058

CSO:3104

## FLM NATIONAL SECRETARY DISCUSSES TRADE UNIONS IN SOUTH

Naples IL MATTINO in Italian 15 Nov 79 p 2

[Article by Nando Morra, national secretary, Federation of Metalworkers: "The Labor Union and the South"]

[Text] The absolute urgency and dramatic approach with which it is necessary once again to propose and affirm, on the level of government and of the country, the issue of the South introduces the need for making more incisive and concrete the debate on the things to be done "for and in the South" and promoting an exceptional resumption of effort, of cultural and political commitment, and of struggle by the forces of renewal and by the Southern-oriented forces.

The social, political, and economic tensions as a matter of fact are extremely acute. Gioia Tauro and Calabria, Naples, and the other big Southern cities, the hot spots of the Salerno area, the crisis in industrial sectors that are decisive for the economy and employment (chemical industry, shipbuilding, textiles, steel mills, Alfa)—these are only the tips of the iceberg representing a basic malaise which has taken hold of Southern society.

The crisis—not only in economic terms, but above all the crisis in political leadership, in planning, in management on the central and local institutional levels and among the action structures at work in economic, industrial, and agricultural policy not only strikes at the few "islands of industrialization" but also besets the most exposed and most disadvantaged social strata: The young people, the women, the unemployed, the retirees, the poor peasants, the vast area of marginal existence and mere survival. The SVIMEZ [Association for the Industrial Development of the South] report is a careful and very frank x-ray of the situation such as it really is. But this is not a rigid situation; it keeps changing for the worse. The prospects are indeed dim. A general "pauperization" of the country is assuming devastating features for the South.

The South can remain caught in the inflation-recession spiral and in the lack of any serious program for action and regular or special investments, both public and private, as well as the energy gap itself.

It is necessary immediately to achieve a quality jump in the commitment of all of the social, political, and production components, especially in terms of government action.

A government which draws its strength from the temporarily employed but which, as demonstrated by the recent meeting for Gioia Tauro does not move away from the "philosophy" and practice of preceding administrations.

Once again, liturgy prevailed over concreteness. The drama goes on. Andreatta, Lombardini and Di Giesi failed to come out with a precise indication as to the effective start of work: IRI [Industrial Reconstruction Institute] and Finsider [Iron and Steel Finance Corporation] do not yet have the plans for the rolling mill.

A South not subordinated and not resigned, in terms of its most advanced economic production, and cultural components, in this very phase, therefore is called upon to do its part all the way.

This is not a matter of ignoring the changes which have taken place and which are emerging in the composite set up involved in Southern economic and social reality.

What is impossible here is to assume that these facts are an indication of progressive change; in other words, trusting in the "spontaneity of the system;" going along--as the chairman of the board did at Bari on the occasion of the fair--with the so-called "Adriatic way" toward development or the abnormal growth of the "hidden economy."

The South needs something more and something different; we must emphatically raise the question as to a general change in economic, industrial, and agricultural policy, in other words, a "new quality" of growth which would urgently respond to the number one problem: Employment. Action, strategies, and government coordination, also involving the regions and the social partners--starting with Confindustria [General Confederation of Italian Industry], but also the labor unions, the critical agencies, such as the PPSS [State Participations], GEPI [Industrial Participation and Management Company], CASMEZ [Southern Fund?], FIME [Financial Institution for the South], INSUD, ISVEIMER, and the banking system--must be concentrated and implemented on this front.

This is the context within which it is necessary to build new roads in line with the changed conditions worldwide and at home; the crisis of public intervention brings about the objective of specifically spelling out the sector policies, the coherent implementation of planning laws (675,984,183, etc.) and the utilization, improvement, and development of endogenous resources, such as agriculture, territory, production forces, research, services, and culture.

The labor union's initiative is moving in that direction with significant new elements. The importance of these new elements should not escape the superficial critics of a labor union which is often accused of being the promoter of "narrowly class-oriented and industrialist" ideas.

Certainly, the EUR [Universal Exposition of Rome] was a high point, a point of unity, in the effort of the labor union to outline an effective strategy for economic and social renewal which would be based on the South. It has been said, by way of self-criticism, that one cannot make much headway in this fashion. Tactical mistakes, the decline of autonomy and political unity as well as Southern endeavor, in the labor union likewise, to a great extent threatened the foundations of an economic, industrial, and social policy with a heavy Southern accent.

The labor union therefore faces the unavoidable problem of overcoming the delay in reviving and improving the initiative, as well as guaranteeing continuity and coherence for the action "for and in the South."

The labor union today likewise in a new fashion--on the basis of a serious critical and self-critical reflection--faces the issue of "quality" in Southern growth, overcoming the unilateral aspect of "industrialism" which for a long time permeated its Southern-oriented action. The purpose of the struggle is to extricate the South from the logic of "industrialization without development" which for about 30 years characterized the policy "for the South" promoted by the dominant forces, especially the DC [Christian Democratic Party] and the role of the PPSS themselves.

The union's objectives therefore do not merely have an industrial character but it is indispensable to bring about a real production, economic, and occupational fabric in the South. If we do not intervene in the restoration of the chemical groups and Alfasud, Bagnoli, the textile center at Castrovillari, then the ruin will be vertical.

Other immediate and possible objectives involve the following: Aponi-2 and the further strengthening and improvement of the aircraft industry and the electronics industry in Campania and in the South; the ultimate strategy for Fiat with regard to Naples, Cassino, Lecce, Termini Inrese, Termoli, Grottaminarda; Olivetti, where the clash involves not only the 4,500 layoffs invoked by De Benedetti, but also industrial policies running in the opposite direction; the commitment to the methanization of the Southern regions and Gioia Tauro where the labor union found the political strength to overcome the mythology of the "V center."

There is something new and significant in the union's action for the South: The debate opened on the agricultural and industrial policy objectives.

The FLM [Federation of Metal Workers] initiative is concentrated on certain objectives and new parameters: Guiding the development of agricultural

machine-building and facilities toward the South by starting with the concrete reality and production prospects of the farms, the groups, and the sectors.

This is a blueprint with serious and significant potential which will enable the South and agriculture to recover, as a primary field for the commitment of the labor union movement; against the background of agribusiness development and the spread of small and medium manufacturing and processing enterprises, it brings out a decisive element in achieving a different and more advanced quality of Southern growth, tied in with the productive utilization and potentials of territorial resources, primarily the inland areas.

This is the political significance of the "no" from the labor union in the Region of Emilia-Romagna in response to the demands of Fiat for production and employment expansion in the plants at Modena and Cento--tractors and motors for agriculture--and the subsequent indication of, instead, orienting activities, investments, and new jobs toward the South.

There are two points of attack.

Here is the first one. The action planned the "agricultural development law," under [law] 675, under the "special bills" of CASMEZ for irrigation, for the inland areas, and specialized crops; the regional plans; the "finished blueprint" of the CIPI [Interministerial Committee for Industrial Policy Coordination] regarding agricultural machine-building; the regional plans--these must constitute the opportunity for spelling out and implementing "integrated projects" for agricultural and industrial development.

Here is the second one. It is possible and necessary to identify and quantitatively express a public and private demand for technical means for agriculture (tractors, machines, equipment, belts, stables, manufactured items, meat-packing assembly lines, irrigation facilities, processing and preservation equipment, chemical products, electrification, etc.) of exceptional dimensions.

In what direction will these resources be going?

A further drain of resources from the South toward the North, with the subsequent strengthening of the production structure and employment and a more accentuated colonization of the Southern production system, or an "opportunity" to be seized for the South, an element of support to be used in launching a process of industrial rebalancing in a highly important sector?

Should Fiat continue to step up operations in Modena, Cento, and Iesi and should it try to create more jobs in areas where we get more and more foreign workers in industry now or should it instead not be trying perhaps to improve, develop, and put together the production efforts of the



establishment at Lecce and launch new initiatives, thus providing impetus for Southern growth and employment? Should Same, Carraro, Benati, and other enterprises continue to grow in the North in areas with very high employment rates whereas on the other hand--to give you one more example--GEP at Naples seeks to close the production program of GECOM in agricultural machine-building? Not to mention the problem of unskilled labor.

This is the crux of the matter.

The political objective thus is extremely clear: Agribusiness development and new jobs to be determined and implemented in the Southern region. The specific points are addressed to the government and the regions and involve the PPSS the big private groups, the smaller enterprises.

This is the context within which the struggle for returning the PPS to a priority commitment, not a marginal commitment, in the agricultural and food area, which is being taken over by public authorities as a strategic and not a residual field of initiative in the South, ties in with the objective of unifying the public financing outfits in a single agency, through the primary and irrevocable function of the EMS in the South. A specific role is assigned here to the small and medium enterprises.

The labor union has advanced a proposal of developing the smaller enterprises, based on "consortial forms," promoted and supported by the regions, thus defining and qualifying the structures and "new subjects" capable of opening an original phase of commitment in the Southern areas.

Of course, agribusiness cannot be the only "new card" to be played here; in a similar manner, the PPSS cannot be the only addressees and protagonists of Southern growth--although they have just been rescued from the disaster of financial bankruptcy, although they have been reorganized and although their management capacity has been restored, by coordinating the financing with specific programs, influencing the various compartments which have been engaged in a feud with the Christian Democratic establishment and which, with some exceptions, did constitute the basis for political and management decline.

There is an essential and specific role which the PPS did play and must play in the South, but that is not the only one, since there are other sound forces here.

We urgently come to the question of providing an overall blueprint for the growth of the South, of Naples, of Campania which would have new points of reference with relation to diversified industrial and production potential that are being put together; this also includes the expansion of technologically advanced sectors and research; the recovery of the cities; the role of the crafts, the land as such and its productive use, turning tourism into a "production opportunity" rather than a chance of

speculation for just a few; this further includes the improvement of the "hidden economy" which is now so much a part of the Southern economy and the "small-scale management" level. These small-scale management levels still "want to amount to something," as demonstrated by the data collected by Sciarelli, in other words, a management level that wants to play its full economic and social role here.

The action of the regions is decisive in this battle.

In particular, the Southern regions are bearing the brunt of the mass struggle and of the political criticism in order to overcome the chronic inability of constituting centers of democratic government, of providing themselves with essential instruments (development plans, area plans, etc.), and of becoming the protagonists of economic planning.

Some people might now say that the action of the labor unions--although it is aimed at the "Southern objective" with certain limitations and in a somewhat disorganized fashion--is encountering serious obstacles also on the political institutional level and on the government level, as well as in terms of the strategy of private and public employers.

Although they are important, the results are not equal to the commitment. And then we have here not only the problem of the overall inadequacy of the labor union. The difficulties and resistances are in keeping with the interests involved, that is, political, economic, and social, as well as government inertia and indifference.

Olivetti at this moment is "saving" Pozzuoli and Campania from the hurricane of layoffs but it does so on the basis of a rather preoccupying industrial policy strategy.

The local potentates are holding back at Treviglio in an area of full employment, while SAME (agricultural machinery) is inclined toward an agreement with the labor union in order to put up two plants in the South (Basilicata, Sardinia).

About 50 labor unions and the DC majority in the local communities, supported by the local press, are putting up stiff and strong opposition. They want something very simple: Development must not emigrate.

We can detect the growth of deaf conservative-oriented cultural and political opposition--the events in Persano are significant-- which links the government's policy with significant segments of local industry and interests in dealing with a policy which, in its various forms, considers the South as a point of reference for an entirely different economic and social setup for the country as a whole.

We therefore, more than ever before, need resolute action and unity among the Southern forces in order to bring about a change in directions and initiatives, such as the country and the South needs them.

The "Southernism" of the administration of Fiat and of "their masters" will be measured along this frontier.

## UNIONS CRITICIZE CALABRIA AUTHORITIES ON DEAL WITH FIAT

Naples IL MATTINO in Italian 14 Nov 79 p 4

[Article by Pino Nano: "Gioia Tauro--Contacts Between Fiat and the Region of Calabria"]

[Text] Cantanzaro. "The labor union movement has asked the Region of Calabria for a specific political commitment toward the search for a common platform to be submitted to the central government so as to be able at last to spell out some functional solution to the complex situation in Calabria."

But beyond this first formal commitment, "which will find the labor union operating in direct contact with the regional political class," the labor union movement in Calabria also wants the Region of Calabria to concern itself with scheduling a new meeting soon--possibly in a very short time--set up by sectors, designed more directly to tackle the secondary problems of the entire issue, "problems"--as the Calabria labor union admits--"which are secondary but which, taken together, assume a preponderant influence."

These, in summary, are the basic factors that characterized the significant meeting which Aldo Ferrara, the chairman of the regional board, yesterday held with the three secretaries of the labor union confederations (Marra for the CISL [Italian Confederation of Labor Unions]; Zavattieri, for the CGIL [Italian Confederation of Labor]; Sergio, for the UIL [Italian Union of Labor]) in the course of which they once again took up the most urgent problems which the region has been struggling with for many years in this area.

Concerning Gioia Tauro, Ferrara admitted that there is nothing "significant and new here; there seems to be a complete lack of any credible initiative, in spite of some individual proposals from various ministers. But we are convinced," the chief executive of Calabria asserted again, "that the area of Gioia Tauro will not be abandoned and, just recently, we had our first contact with Fiat; we will see what will come out of that."

But regarding the proposal of the ENEL [National Electric Power Agency], the big coal center, chairman Ferrara insisted on admitting that it still arouses considerable skepticism, "although one cannot rule it out a priori."

The situation of the SIR, at Lametia Terme, is just as difficult. A meeting has been scheduled for next Thursday, according to the chairman, at the ministry of industry in an attempt to break the current deadlock: "We will insist on the rapid opening of the three plants which have already been finished and the repair of the blast furnace at Five-Sud."

Regarding the problem of the textile workers, Ferrara explained that he is against turning these enterprises into another GEPI [Industrial Participation and Management Company]. "We will instead ask for the establishment of a consortium of banks with the provisional involvement of GEPI."

On the other side of the fence, the officials of the labor union however expressed a rather severe judgment concerning "a region which has now lost a great portion of its contract-negotiating capacity"--although it is now becoming necessary to work out a joint platform with that region in order to be able to emerge united when it comes to the next decisive meetings which the political establishment of Calabria will have with the central government.

A delegation of workers from Calabria, led by communist members of parliament from the region, will shortly be received by budget minister Andreatta who will be asked to reopen the SIR at Lamezia, of the liquid chemicals plant at Saline, and Testurizzo at Castrovillari.

5058

CSO: 3104

## UNIONS CONCERNED ABOUT UNEMPLOYMENT IN SOUTH

Bari LA GAZZETTA DEL MEZZOGIORNO in Italian 10 Nov 79 p 8

[Text] Foggia. Serious worries were expressed during a unity meeting promoted by the CGIL-CISL-UIL [Italian General Confederation of Labor, Italian Confederation of Labor Unions, Italian Union of Labor] federation of S. Giovanni Rotondo on account of the serious employment situation involving the farm workers. On an agenda approved unanimously, we will find among other things "the urgent need for developing a strong mobilization of this worker category in order to demand a serious policy of investments aimed at increasing employment levels through a growth of the production base."

A proposal has also been advanced for a further increase in the regular unemployment benefits for farm laborers (those who work 51 hours and the others who work 101 hours) carried on the registers, retroactively, considering the fact--as pointed out--that the current 800 lire per day are not enough in view of rising prices.

The meeting agreed to the proposal of conducting demonstrations by this worker category "in order to demand, from the regional government, from the commune and from the mountain community, the special employment plan designed to reduce current unemployment also because—it was added—the winter season is near and that causes a suspension of various cultivation activities of S. Giovanni Rotondo.

In view of the coming olive harvest, the meeting also approved the text worked out on the level of the local government commission for the area involving the various farms, that is to say, to provide for the manpower through the job placement office; to furnish means of transportation for the workers; not to sign any sales contracts involving the product still out in the fields whenever the purpose is to violate the sales law; to refuse to hire any manpower through work gang bosses; to communicate to the job placement section all of the working days put in by the workers; to abide by the contract wage in force at the moment of the harvest; to submit the cultivation plan.



After sending an invitation to the labor inspectorate and to the other inspection agencies to go to the farms whose employers do not abide by the hiring laws, the meeting came out with a strong "protest against the region of Puglia because it has not yet submitted the farm plan for regional public land management involving Gargano and also because it has not yet issued any regional development directives, in the absence of an area plan, for the purpose of guiding agricultural development and for the specific utilization of public financing."

5058

CSO: 3104

## GENERAL STRIKE DECLARED IN REGGIO CALABRIA

Messina GAZZETTA DEL SUD in Italian 21 Nov 79 p 4

[Text] There will be an 8-hour strike today in Calabria to underscore the central nature of the Southern-oriented decision in this struggle. A united demonstration will be held at Gioia Tauro. "This is the first time," said Giovanni Alvaro, CGIL [Italian General Confederation of Labor] secretary for Reggio, "that a general strike in Calabria on the problems of employment and growth, in the presence of CGIL secretary-general Luciano Lama, will take place prior to the meeting with the government.

"This is a fact not to be underestimated because it does not put the struggle on the level of protest over inconclusive meetings or the absence of responses but because it turns it into a real support for negotiations, a firm and decisive warning against further postponements, a clear request for clear decisions.

"The presence of Lama at Gioia Tauro," Alvaro continued, "is a signal as to the orientation of the entire labor union which cannot be ignored by any administration, even if it is incapable, such as the Cossiga cabinet. The administration must understand that the moment has come on the entire issue of Calabria (Reggio, Saline, Gioia, Lamezia, Castrovillari, agriculture, inland areas, young people, etc.) when specific commitments and immediate achievements can no longer be postponed. Failure to do this will signify an invitation to provocation, to collapse, and to the weakening of democracy in Italy. An administration which has this sort of thing in mind is the enemy not only of Calabria but of all Italy. This is an administration which will not get any quarter from the workers, the young people, the unemployed.

"But let us be careful not to think that all of our enemies are in Rome; we have enough of them also here in Calabria and the Ferrara board holds an outstanding place among them. This board, as has been denounced and documented several times, has a considerable responsibility both in terms of its absolute inability to take the central government on and in terms of its serious failure in accomplishing the tasks demanded of it also in accordance with a specific government law (the agricultural development

law, law 183, special bills, irrigation, the extraction of methane, the inland areas, young people, public works projects, the 10-year housing plan, the management of the various agencies, etc.).

"The Calabria board thus cannot expect any quarter either. The struggle must be continued there, it must be stepped up, it must be developed, it must be broadened, over the next several weeks, in a well-organized and efficient manner, in order immediately to achieve some results which will be in keeping with the expectations, the aspirations, and the needs of the workers and the people of Calabria and which would provide a new sense of direction toward one of Italy's most depressed regions."

Alvaro concluded as follows: "This is the only way to get Calabria out of the tunnel. This is the way indicated by the labor union movement. Anybody who thinks that the movement in Calabria, tired after 7 years of struggle, might simply resign itself or might just engage in individual rebellion, is profoundly wrong. In spite of some lack of confidence and some let up in our endeavor, the labor union movement is more alive than ever before, it is still on its feet, it does not rest. The strike will be further confirmation of that."

All worker categories will participate in the general strike, with the exception of the hospital workers (who provide emergency service) and transportation workers. A special train will start out at 0750 from the railroad terminal, going to Gioia Tauro; at 0800, it will leave Reggio Lido and at 0820 it will leave Villa San Giovanni. The banking workers will reach Gioia Tauro in two passenger coaches.

In going along with the demonstration, the school labor unions of the CGIL-CISL-UIL [Italian General Confederation of Labor, Italian Confederation of Labor Unions, Italian Union of Labor] confederation, in a document of theirs, asserted that "with the Gioia Tauro decision, the entire Calabria issue is placed on the agenda of the confrontation with the central government."

But CISNAL [Italian Confederation of National Labor Unions] did not go along with the strike. This was decided yesterday by the provincial secretariat in the course of a meeting chaired by confederation secretary Senator Franco. The failure to join in—we read in an announcement—was brought about by the fact that—although the labor protest in Reggio and in the various towns is directed against the government which continues to penalize economic growth and to refuse to recognize Reggio's right to live—it is also decisively and very harshly directed against the CGIL-CISL-UIL confederation of labor unions which did not adhere to the commitments assumed toward Calabria.

In the meantime, a meeting was held last night at Gioia Tauro by the community council which was open to the public and the union representatives in order to debate the topics connected with the entire issue. At the conclusion, an agenda of solidarity and participation in the general strike was approved.

## CPN FAVORS COALITION POLITICS, PARTY PLURALISM

Amsterdam POLITIEK EN CULTUUR in Dutch No 10, Dec 79 pp 433-444

[Article by Gijs Schreuders: "Party Pluralism: Praise of Diversity -- Some Notes on a Passage from the 'Outline'"; subheading under POLITIEK EN CULTUUR: "Magazine Devoted to the Theory and Practice of Marxism-Leninism under the Leadership of the CPN (Communist Party of the Netherlands) Executive Committee"; passages enclosed in slantlines printed in italics.]

[Text] In the outline for a chapter on "the CPN and democracy" drawn up in preparation of a new party program, the following passage has drawn considerable attention:

/"Parties, social organizations, all who want to bring about a renewal of society in the socialist sense, will be able to realize this only through coalitions, through respecting each other's identity and standpoints; none of these parties or groupings can claim to be able to accomplish the social transformation of Dutch society by itself.

"Thus action by political parties and political freedom are vital conditions and vital components of the renewal of society which in the Netherlands will mark the road to socialism in the opinion of the CPN.

"Under socialism the existence and development of political parties with their diverging ideological ideas and political views will also be of vital importance for democratic decision-making in our country. The constitutional rights for all parties, irrespective of their view of society, must be fully guaranteed and their functioning in the democratic representative and governing bodies must be guaranteed."/

These theses, as well as the entire outline, are now being discussed in our party and the fundamental and renewing character of this position is correctly pointed out.

Affirmation of the values of the representative democracy constitutes a conquering of the labor movement and other democratic forces; it furnishes a foundation for the strategy of a democratic road to socialism.

The communist parties and other trends in highly developed capitalist countries striving for socialism consider it more and more their task to change in a socialist sense the structure of society, the system of production and the economic foundations of society in a manner which guarantees and expands political, social, cultural and religious freedoms.

The questions in this regard are so timely because the struggle for socialism is so timely.

The more the necessity for socialism thrusts itself forward, in view of the insolvable big problems of this time within the limits of the capitalist society, the more concretely do the questions assert themselves: /which socialism, how and what?/. No doctrines or little textbooks can supply the answers to these questions. To the extent socialism moves closer, the problems which the fighters for that socialism must solve become more concrete. For precisely the impotence and crisis of capitalism means that the struggle for socialism becomes less and less the struggle for a vague "ideal" which solves all the problems of people and society, but precisely a question of practical /politicking/, gathering forces, conquering problems.

Later . . . and Now

Without cooperation and unison of the progressive forces (no matter how vague this concept still is for the time being) one cannot achieve a transformation of society which /agrees with/ the individual character and concrete circumstances of a country such as ours, with the historical development of the labor movement in our country, with the /basic political and social conditions/ and with the level which /human civilization/ has reached here.

Many kinds of socialism already exist in the world; new variants are continually being added or at least being announced and these socialist societies and/or conceptions are not unvarying themselves either. Thus it is always necessary to speak in concrete terms about the kind of socialism we desire, the kind which is needed and is /possible/ in the Netherlands and therefore worthy of pursuing. What we want and what we consider possible in our country, is a socialist society which originates in the history of our country, or rather in the struggle of the labor movement and other democratic forces, and in which the attainments of this struggle are expanded.

The outline under discussion at present is a phase in the efficacy and foundation of the party policy we established at the 26th Congress and a projection of that into the future.

This policy is already bearing fruit and in the outline it is shown how our current struggle is /allied/ with the struggle for socialism in the Netherlands in the long view.



In this manner, as a "small" party in a "small" country, we have already gained pioneering experiences which draw considerable attention also abroad. Naturally (due to the character of social relations) our view shows considerable agreement with the determination of course developed in a number of other highly developed capitalist countries, in particular in Western Europe and Japan. But the history and power relations vary strongly in all these countries mutually, thus the roads marked out are not the same, although they do go in the same direction.

What we are continually doing (not in a distant future, but now) is to seek and use opportunities for a constructive dialogue between diverging political and social groupings, opportunities we help create in practice.

In this scope it is neither necessary nor feasible to discuss at length the results already achieved and also the set-backs in carrying out the coalition policy established by our last party congress. Those however who do not want to see that progressive and revolutionary forces are maturing /in a broad spectrum/ of Dutch society, are doomed to sectarian and estranged, sterile contention.

When we discuss ideas on the Dutch road to socialism, we are working on a /political program/ which is directly in line with our party policy, which is characterized by great efforts for the gathering of social and peace-loving alliances. By establishing that policy "for a new coalition, for unity of action" we turned onto a road at the last congress which we will indeed follow/. It is thus not a matter of a tactical maneuver, but of a strategic concept -- a /direction/ has been indicated on the basis of a judgment on social and political relations which really do exist and which we want to /change/.

#### Tolerance and Opinion Struggle

Part of this is the defense of political multiformity; cooperation also /presumes/ tension and difference of opinion.

Let's think back to the action committees, for example. Looking back to the dock strikes, Henk Hoekstra remarked (DE WAARHEID, 23 Oct 1979) that in the action committees one was continually heading for a schism, that tensions and "tough exchanges of ideas" occurred, but the result was still: /uniting on a joint objective, with the acceptance of everyone's input/. We take the liberty of not dismissing these concrete experiences when we think about roads toward socialism.

Political multiformity is a condition for shaping unity and simultaneously an essential component of our ideas on the development of the political system under socialism.

Thus we also think of parties and our -- current -- striving after normalizing the relations between the parties in our country.

Under the conditions which have come into being in the Netherlands over a long historical period, parties are the most natural /political/ expression of the necessary opinion struggle in society which will always exist as long as there are contradictions and diverging interpretations and various views on the further development of society and always as long as /choices/ will have to be made.

Thus it is not a matter only of recognition of the rights of others and a respect for minorities, a matter of accepting diverging views -- in short, political rights and constitutional freedoms and /tolerance/ for which the communists exert themselves.

It is a matter of a /necessary/ multiformity. That is a requirement for the development of the type of socialism we want and consider possible in the Netherlands and for which we demand neither the copyright nor the sole right.

For us it is a question of simultaneously more and less than a vague sort of tolerance.

/Less/ in the sense that we will never avoid tough political struggle against reactionary views and reactionary power. We are not tolerant with respect to capitalist exploitation, pursuit of gain and preparation of war, but we are purposely working -- very precisely and tenaciously -- on power forming in order to ban these inhuman phenomena, these obstacles to human liberation, from society.

Our ideas also include /more/ than tolerance. They are not a plea for the passive "tolerating" of the existing power relations between parties. We don't want to confine ourselves to "recognizing the rights of others," but also want to make use of our own rights!

At issue is: insight into the necessity of a multiform political system. We cannot imagine a Dutch socialism which would not be based on the contribution of diverging political forces. We cannot think of a socialism which would not continue to build on democratic attainments and the democratic struggle of the Dutch population.

#### Monolith

In order to be able to seriously broach the questions of socialism and democracy, the struggle for socialism must continually be seen in the light of the specific circumstances and conditions under which it is waged. That also means disassociation from arbitrary generalizations on circumstances under which the first socialism came into being and of modelling on examples -- obviously with the retaining and processing of generally valid conclusions from certain historical experiences.

What is certainly not general (and every Marxist in the world is conscious of that these days) is the originating in the USSR of a one party system.

In this connection there is the view of the socialist state as a "monolith," a state which represents "the" interests of the entire population. It is not difficult to see that the denial of the continued existence of certain contradictions in interests, divided interests and different views on the development of society entails additional difficulties in socialist countries.

The "monolith," the state which itself is the bearer of an ideology, creates "unfavorable" conditions for the solution of problems emanating from social development and therefore renders the diagnosing and overcoming of such problems more difficult.

To the extent society becomes more complicated and technological development continues, greater participation in political decision-making is of vital importance and in certain socialist countries it is recognized that the further development of the democracy (in forms determined historically over there) is a requirement. When we talk of highly developed capitalist countries, the need which stands out is not so much for a completely centrally determined planned economy imposed from above (as in less developed countries which changed over to socialism when the need arose), but especially for a democratic programming of the economy. The course must no longer be determined by the industrial concerns, but by the community, and that requires the setting up of participation by the participants in the social process.

And it is clear that a similar democratic programming of the economy and the development of forms of participation at all levels presumes political multiformity in itself. Otherwise it simply can't be done.

#### Parties and Interests

The demanding of participation in production, in education with its democratic functions and significance for the growth of people, in other sectors /on the one hand/ and the defense and development of the parliamentary democracy and its institutions /on the other hand/ is part of one strategy, one political course toward socialism in the Netherlands. That is indicated in the outline, but of course the relationship between these various aspects of our democratic striving and the tensions which undoubtedly will occur here, must be further investigated and processed in political programs. In our view there is in any event no distinction between the struggle for political freedom rights and the struggle for social progress. They cannot be seen separate from each other; they are not mutually exclusive alternatives; it is not either the one or the other.

Neither can we agree with the distinction often made between individual rights and collective rights, with the subordination of one to the other.

Political rights and personal freedoms are guaranteed only if they are based on a socio-economic foundation which, different from what is now the case, does not create continued uncertainty on such vital conditions of existence as work, housing, education, etc. As long as society is divided in two -- exploiters and the exploited, owners and non-owners (and thus: oppressors and the oppressed) -- democracy cannot be fulfilled.

At the same time, no modern society whatsoever with its complex problems can develop itself without increasing individual freedoms, without the utmost development of talents, capabilities and personal responsibilities of every member of society.

Our struggle is especially aimed at creating a situation which essentially makes it impossible for people to realize in a practical manner the responsibility they feel and want to bear [as published]. For this, however, a /democratic political power/ is necessary. Thus let's return to the passage in the outline on the plural party system.

The thesis set down there essentially runs counter to an absolutely /mechanical/ view on Marxism, namely the view that the means of production -- the economic base -- determines /directly/ the political, juridical and ideological "superstructure."

Naturally political parties represent certain class interests, but they are almost never the pure expressions of the interests of one single class. First of all, within parties there are often contradictory class interests (at least if one does not equate a party with its party executive). The VVD [People's Party for Freedom and Democracy] for example represents the monopolies, but also important parts of the middle class, higher income groups, etc. Moreover, this party represents certain values of liberalism. And the same is true for others: parties in the Netherlands reflect interests, religious trends, cultural traditions, spiritual heritage; they often have their origin partly in emancipation movements of various kinds.

All of this also offers the perspective that parties develop, change, and enter into new alliances.

In this framework it is thus important to point out, for example, that the CDA [Christian Democratic Appeal], influenced by thinking in Dutch churches, has altered its position on the questions of nuclear armament in general and the neutron bomb in particular, no matter how hesitantly and poorly all of this may find expression.

To what extent existing parties and the existing party system can develop further obviously also depends on whether or not democratic relations exist /within/ parties.

In the Labor Party [PvdA] the struggle at this point has taken the shape of a conflict between "administrative party" and "action party." This conflict is the expression of the fact that the PvdA on the one hand acts as



an extension piece of the politics of industrial concerns and the top administration of public services and on the other hand much of its following is involved in mass actions which subsequently are attacked as "activism" and as contradictory to parliamentary-democratic procedures.

### "Activism" and Parliamentary Democracy

It is precisely the interlacing of party and public service apparatus and of party and the interests of industrial concerns which brought great harm to the party democracy in the PvdA, as was ascertained when the results were assessed of the Den Uyl government period by the parliamentary group chairman at the time, Van Thijn.

The latter, in his booklet "The Little Steps of the Den Uyl Cabinet," proved to be literally dumbfounded when he determined that most of the ministers had never even been willing to carry out their own party program in practice. Social reforms were brought up for discussion exclusively as propaganda, but were not realized in any manner whatsoever. On the other hand, close contact was sought with industrial concerns -- a contact which will still be drawn closer, as appears from a recent interview of Den Uyl in VRIJ NEDERLAND.

Thus, detaching itself from the ruling powers appears to be a condition for the development of the party democracy in the PvdA.

But also /the democracy within our communist party/ is dependent upon the degree to which it opens itself to the impetuses of the mass movement, as our last congress realized when it took a stand against "sectarian isolation."

Here it is a matter of further development of the method of democratic centralism; without this critical method of applying party democracy, the party cannot react to the manifold impetuses from society and it cannot defend itself against trends and fragmentations which would hamper a democratic exchange of opinions and a united carrying out of decisions.

A makeup aimed at change does not offer a future if its objectives and actions do not emanate from, and are subordinated to, free discussion and exchange of opinion. In this we are profoundly aware that the power of non-rulers, non-owners, thus that of the oppressed and the exploited, lies precisely in their unity, solidarity and organization. These are the two pillars of the method of democratic centralism applied by the CPN.

Development of the mass movement is a condition for the progressive development of parties and for the development of the party system as such. Precisely on that ground any artificial distinction between "activism" and parliamentary democracy should be most definitely rejected.

### Reactionary Violence and Democratic Legality



"Activism," or more correctly: action by progressive democratic mass movements, is actually a condition for the defense of parliamentary democracy. Representative democracy /in itself/ also is not /sufficient/ to bring about changes of society in the socialist sense and to protect and preserve them when they have been achieved.

The word "Chile" has become a concept in the debate on this question.

Our party starts out from the necessity to join the representative democracy with the mass struggle against the power of monopolies and against reactionary trends.

With respect to the latter, it is not by coincidence that we hear an increasing number of complaints about "ungovernableness," increasing precisely in proportion to the degree the democratic striving of the masses is increasing.

Thus a report by the Trilateral Commission (a commission of top people of the big industrial concerns of the United States, Europe and Japan) states as to the "governableness of democracy:"

"Precisely in the last years the functioning of democratic processes seems undoubtedly to have led to the failure of traditional means of social control and to a de-legitimizing of political authority."

According to that commission, that quotation emphatically refers to the Netherlands, amongst other countries. The representatives of big capital thus state openly that they are losing their grasp on the parliamentary system and that the multi-party system has become a source of power for the working class.

A greater emancipation of the oppressed cannot be achieved without corrosion of the political and economic power of the monopolies. The representative democracy, however, can offer the most favorable terrain for that struggle. Reaction and violence, coup d'etat and civil wars can and must be prevented by the democratic struggle of the masses. Our action thus is aimed at /protection of the democratic legality/, of which the labor movement has become the pre-eminent defender against authoritarian endeavor, terrorism and reactionary violence.

An example of the protection of democratic legality is the prohibition of racist or fascist groupings on the basis of the Penal Code which renders propaganda for racist views, amongst others, punishable.

This is an attainment of our democracy as it is rooted in the history of our country, in its freedom-loving traditions and the results of the struggle against fascism.

For "democracy" is an historically determined concept.

And this brings me to two series of closing remarks, one of a fundamental and one of a practical-political nature.

### Democracy Is a Value in Itself

From the above argument it will be clear that in my opinion democracy is not just a class-bound concept and cannot be treated abstractly as "bourgeois democracy, proletarian democracy, slaveholders democracy" (i.e. slavery for the slaves and democracy for the slaveholders).

Democracy is /a value in itself/, a precious and universal value. By that I do not mean some supernatural or "inherent" phenomenon, but a value which has been solidly established /as a product of an historical development/. An example: someone who during the years of Hitler barbarism held aloft the torch of anti-fascism obviously was acting against the majority of the German population. Yet that fighter was the bearer of democracy.

Another example: an armed insurrection, carried out by an army which imposes its will by guns, can be a high form of the struggle for democracy, as was still recently the case in Nicaragua.

Going against the majority or against coercion with the most authoritarian methods imaginable, namely armed violence, thus does not necessarily need to be undemocratic.

When, however, we speak in the Netherlands of "the" democracy, then that concept has /likewise been determined historically/.

It emanates from centuries of struggle for political, cultural and social rights. It emanates from a political system which has a mass foundation in the population, which orientates itself in diverging political ideas and has come to know and been able to defend ideological and cultural diversity as a high value.

Even in moments when the structures and constructions of the political system were destroyed (in World War II by the Nazi occupiers), the divergence of direction and political conviction continued to exist. And this divergence has a positive result; it even formed an impetus for the democratic and anti-fascist struggle.

It is indeed one of the historic merits of Dutch communists to have understood and acted according to that already at an early stage.

Thus when we speak of socialism and democracy, which are inseparable, we should view democracy as: the multiform system of political opinion-forming existing in the Netherlands.

The CPN has always defended that against corruption and manipulation, because that in itself /is worthy of/ defending, now and certainly no less in a socialist future.

As to the present, political multiformity constitutes a condition for a strengthening (in scope and quality) of those forces which advocate socialist renewal. That is the practical-political side: without political struggle of opinion progress is not possible.

We want to engage in that struggle of opinion and are equipped to do it. A strengthening of our positions in the representative bodies is just as necessary in that respect as the building up of close cooperation with others.

What shapes that cooperation will take on in the future is a question of development, debate, research, experiences with the mass movement, mutual recognition of the role and significance of the partners in progressive alliances. But it is naive and presumptuous to think that cooperation could be formed by uniting all the renewing forces in the Netherlands into one single party. It is a matter of considering differences as well as agreements. To "freeze" the differences and not to want to see anything collectively, would make a vigorous debate impossible.

On the other hand, a debate is also impossible if one's own fundamental theses or strong criticisms are abandoned for the sake of simulated cooperation which would mean nothing but subordination and political nihilism.

These are the practical foundations of our coalition policy and on that basis we want to embark on the road to socialism in the Netherlands.

In order to be able to realize socialism in a complete multiformity of parties, it will finally have to get a foot in the door in the highly developed capitalist countries.

8700

CSO: 3105

## NORWEGIAN DEFENSE CALLED ILL-PREPARED TO FACE POSSIBLE BLITZKRIEG

Oslo AFTENPOSTEN in Norwegian 11 Dec 79 p 3

[Article by Einar Kristian Holtet]

[Text] "History shows that we don't necessarily fight the war for which we are prepared," said the commander in chief for southern Norway, Lieutenant General Kjell Bjorge-Hansen, to the Oslo Military Society on Monday. In a speech on the military situation in southern Norway General Bjorge-Hansen presented the view that we in Norway should be prepared to repel a blitzkrieg. That is what the Soviet build-up is intended for. One or two battles would decide the outcome. Instead of meeting this threat Norway is reducing its own defense capability.

"There is a big gap between end and means when it comes to defending southern Norway at a reasonable level. And it is here that our dependence on the NATO alliance is quite obvious. There are no plans to indicate that allied naval forces would move in and operate in our waters under our control. But forces from the Atlantic fleet could operate close to or in our area and support us indirectly," the general said.

He wanted to destroy the myth that the most dangerous thing Norway has to fear is an isolated attack on northern Norway. "I can't believe that southern Norway would be spared; on the contrary at the very least facilities of importance for mobilization, receiving assistance and sending reinforcements to the north will face an intense air attack from the very beginning. An isolated attack on the entire country of Norway has now entered into the picture, on a purely military level, and that alternative is definitely the most dangerous one," said Bjorge-Hansen.

"If the Warsaw Pact nations manage to take Norway in an isolated operation the gains would be enormous. A glance at the map confirms this. Whoever controls our long coastline--with harbors and airports--controls the Norwegian Sea. The modernization of Warsaw Pact forces and their increasing capacity represent a continuous process that has already led

to considerable changes in the balance of power in Europe. If the western nations are not prepared to meet the East block's constant arms build-up in the areas of both nuclear arms and conventional forces, in the future military balance could tilt to the disadvantage of the West. If Western forces move to second place it might tempt the East block to use its forces. The Soviet Union has moved ahead of the United States in the area of nuclear strategic weapons. This puts the West in a difficult situation," Lieutenant General Kjell Bjorge-Hansen said.

"With Soviet control over Norway the NATO alliance would not even have geography on its side," said General Bjorge-Hansen. "The situation would be turned upside down."

What can Norway line up? Land forces are the backbone of our defense, but most of them have to be mobilized first. If all plans for a mobilization effort with transfers to northern Norway are put into effect it would leave a skeletal military defense of Norwegian troops alone in southern Norway. We have a growing need for an effective defense of the southern Norwegian coast, especially the sea routes to our most important regions, the Oslo area and central Trondelag and vital areas such as the Bergen region and the Stavanger-Kristiansand coastal region. But under no circumstances can the high command in southern Norway manage to defend its own area and at the same time reinforce northern Norway with national forces alone. Reinforcements are needed--from outside. The Soviet Union has the capacity to fly two divisions to southern Norway in the course of a single day. The flight time could be as short as 100 minutes!

6578

CSO: 3108



## PRODUCTION OF NEW SUB SERIES SCHEDULED FOR LATE 1980'S

Oslo AFTENPOSTEN in Norwegian 28 Nov 79 p 26

[Article by Hans Christian Erlandsen]

[Text] "The first of the Defense Ministry's new submarines could be begun around 1985-86 but mass production will not get under way before the end of the next decade," department head Helge Omreng of the materiel department of the Ministry of Defense told AFTENPOSTEN. Omreng stressed that the first step is political legislation on the construction of new submarines. As we understand it people in the Defense Ministry feel that submarine construction should be handled by a shipyard with experience in this kind of work, making it natural to turn to a foreign firm.

"At the end of next year we will seek contact with a shipyard that can work out a contract definition for our new subs," Omreng said. "What we want is a consultant who can coordinate all the systems to be included in the vessel. This shipyard would prepare drawings and specifications that will form the basis for possible contract negotiations and give us some idea of how much such a sub would cost," Omreng said.

"The contract definition will give a basis for final development of such things as the propulsion machinery and the command and firing systems for the submarine."

In the preliminary work that has been going on since 1974 a number of Norwegian companies have been involved in planning systems to be included in the submarine. Omreng emphasized that whenever Norwegian parts can be reasonably adjusted to the vessels they will be used.

After the first model of a new submarine is ready, probably a little past the halfway mark in the next decade, intensive tests will be conducted before mass production is begun. The Defense Commission has recommended acquisition of 10 new submarines to replace the so-called Kobben class of which the Norwegian Navy is now operating 15.

The Defense Ministry is skeptical about the chances that a Norwegian shipyard could get the job of building the new submarines. Construction of such vessels requires very specialized competence which they feel it would be inappropriate to build up in Norway just for a few submarines. Exports are regarded as doubtful.

Therefore the idea is that the country getting the job will in return be able to acquire military products that we know how to produce in Norway.

The Kobben submarines were built in West Germany and we have learned that this country is an obvious choice to produce the new Norwegian sub. Norway has been working with the West Germans since 1974 on development of the new submarine which will not be purchased by West Germany.

Norway has mutual purchasing agreements with West Germany, the United States, Canada and Great Britain.

6578

CSO: 3108

## BRIEFS

F-16 TEST FLIGHT--The first Norwegian F-16 flew its maiden voyage last Wednesday. The 72 planes Norway is buying will all be assembled at the Fokker factories at Schiphol Airport in the Netherlands. The plane took off shortly before 1300 hours with test pilots Henk Themmen and Jaap Nofstra at the controls and the flight lasted almost an hour and a half. Norwegian industry has signed F-16 contracts for over 2 billion kroner at today's rate of exchange. Next year F-16 parts costing 500 million kroner will be produced in Norway. The first Norwegian plane is painted in Norwegian camouflage colors and has been given registration number 301. On its first flight the plane went out over the North Sea where its top speed was 1.6 times the speed of sound. A "specialty" of the Norwegian plane is a brake parachute to ease braking on slick runways. This chute was tested when the plane landed. Pilot Themmen said after landing: "This is a very effective braking method and the chute is one of the best I have tested." The plane will first arrive in Norway at the end of January when it will land at Rygge in Ostfold where it will be based. [Text] [Oslo AFTENPOSTEN in Norwegian 18 Dec 79 p 27] 6578

CIA BOOK--After reviewing the book, "CIA in Europe" and especially the chapter on the CIA in Norway, the Defense High Command has decided not to ask the prosecuting authorities to look into it with a view to bringing charges against the publisher or the author of the chapter on the CIA in Norway. The High Command did not feel further comment would be proper, according to a press release. [Text] [Oslo AFTENPOSTEN in Norwegian 18 Dec 79 p 52] 6578

CSO: 3108

## COMMUNIST PARTY OF ANDALUSIA HOLDS CONGRESS

## Soto Elected Secretary General

Madrid MUNDO OBRERO in Spanish 18 Dec 79 p 7

[Text] On Sunday afternoon, in the Torremolinos district of Malaga, the Constituent Congress of the Communist Party of Andalusia [PCA] concluded with the election of Fernando Soto as secretary general. Santiago Carrillo was present at the closing ceremony. An informal celebration, while the results of the counting of votes of the 70 members comprising the Central Committee were awaited, marked the end of 3 days of work, during which, in addition to establishing the Andalusian autonomous community, there was a debate on issues such as agrarian reform and the elimination of the position of party president in the party's statutes.

Torremolinos--Finally, the name adopted will be that of the Communist Party of Andalusia, changing the original proposal of the name Andalusian Communist Party. This change had already been put forth by the party's provincial conferences, which had come out in favor of the aforementioned name, with the exception of that of Cadiz.

The position of president also aroused a certain amount of controversy. Until a few weeks ago, this office had been held by Jose Benitez Rufo. His death left vacant this post which was called for in the initial draft of the statutes, although there had been no clearcut specification of what his functions would be. The latter fact may have prompted the final decision to abolish it.

The Committee on Candidates remained in session until 0600 hours on Sunday morning. The approved list of 70 names includes those of the Andalusian Communist members of Parliament, among them leaders from the eight provinces. The entire proposed slate of candidates was approved, with the sole exception of Francisco Duran, from Cadiz, who had been chosen from among those included on the annexed list. When the results were announced, the Central Committee, meeting in an emergency session, elected Fernando Soto as secretary general, with only two abstentions.

## Municipal and Youth Conferences

Twenty-two delegates took part in the debate on the two resolutions submitted for the consideration of the congress members, contributing some suggestions for them which, on the whole, were accepted in brief form. Among the contributions made during this last plenary sessions were comments on the statute on educational centers, the holding of a conference on the citizens' movement which will be held jointly with that on municipal policy, and the commitment to hold a youth conference, as well, within the shortest possible period of time.

Several of the delegates who took part in the latter debate emphasized the general concern of the congress over the holding of the referendum on autonomy on 28 February. There was no desire to make special mention, much less a specific resolution, on the status of women; because the members of the committee on resolutions were of the opinion that this would be a repetition, to some extent, of texts already in existence.

As for the energy issue, related essentially to the nuclear question, it was agreed to request, through the Junta of Andalusia, a moratorium on the power-plants under construction in the area, as well as a prompt transfer of authority to the pre-autonomous entity in matters relating to this subject.

## Agrarian Reform

Particular significance was attached to the debates on a topic of such major concern to the Andalusian community as agrarian reform, which will be the subject of a special conference at which the content thereof is to be precisely determined; because the opinion of some of the delegates to the effect that this specification should be made at present was not accepted at the congress.

The agrarian reform which the Andalusian Communists will debate when they see fit will propose as an objective "the democratic transformation of agriculture as a whole, with all the variety existing in Andalusia." Eduardo Saborido reminded the congress that the fact that a specific conference is going to be held makes it incumbent on the party's committee to pay special heed to this problem. The secretary of the CCOO [Workers Commissions] of Andalusia also underscored the need to progress toward a speedy method of organizing the small and medium-sized farmers into unions.

This is a matter yet to be decided, and it was the cause of argument during the past few days. The connotations of the issue prompted the delegate from Granada, Francisco Ruiz Davila, to give a reminder of the need to "destroy some myths," such as that involved in basing the agrarian reform that Andalusia really needs now on an analysis that is not founded solely on the unjust distribution of land, but also on criteria for updating and streamlining Andalusian agriculture.



## Andalusia a 'Differentiated Community'

Madrid MUNDO OBRERO in Spanish 18 Dec 79 p 7

[Text] Finally, by a majority of votes, the Andalusian Communists agreed to define Andalusia as a "differentiated community among the nations of Spain as a whole." However, this does not appear to mean that the debate opened on the "national construction" of Andalusia has been definitively closed. In the final voting, the majority position obtained the backing of 225 delegates, while the majority stand was backed by 138; representing 34.5 percent of those participating in the vote, because 37 abstained.

Torremolinos, Malaga--Three speeches in favor of the majority position and three in favor of the minority one completed the debate which had evoked the greatest interest at the plenum of the PCS's Constituent Congress. Fernando Soto himself went down to the arena to defend the plank proposed by the leading Regional Committee, while the minority was backed by the speech of the secretary general of the CCOO in the Andalusian countryside, Antonio Romero. At the conclusion of the five addresses, which at times had more the quality of a rally than of an argument, the theory of the "differentiated community" prevailed. The delegations from Malaga and Cadiz voted for the minority position, along with some delegates from Cordoba and Granada.

The first to speak on behalf of the majority was the Sevillian deputy, Fernando Perez Royo, who began by stating that, although the topic had been proposed as "national construction," something which could be distinguished from "nationality," as a concept, both would be the same politically. In his argument, he made a distinction of two areas, the first of a tactical type, involving the way in which the Andalusian national issue had begun to be brought up 4 months ago; and a second, the strategic area, from the standpoint of the class struggle in Andalusia.

He remarked that, after the success of the progressive forces in the writing of the Constitution, succeeding in introducing the term "nationality" into it, there might have been a certain amount of imitation, tending to identify the nationalist position with a more progressive stand.

He said: "The problem arose in Andalusia when the PSA brought it up in August, at the same time as its argument with the Basque and Catalan statutes." According to Fernando Perez Royo, on this occasion the Andalusian national issue arose, linked with a confrontation with the other nations of the state.

After commenting on the history of the national struggle of the peoples of Vietnam and Sahara, as well as the cases of Catalonia and the Basque Country, the Communist deputy from Seville ended his speech by emphasizing: "To bring up the problems of Andalusia from a nationalist perspective as a means of solving the many problems that have been posed would require proving that the cause of those problems is the oppression by other peoples."

## Breaking Off From the Static Concept

In a speech on behalf of the minority, Ignacio Trillo, from Malaga, who began by stating that the issue of "national construction" had been brought up by the members of the leading Regional Committee before Alejandro Rojas Marcos did so, stressed that bringing up this issue forcefully now means "breaking off from the static concept of the three nationalities of the Spanish State." He stressed the need to consider the advent of the national phenomenon on the basis of the acquisition of a general awareness of a people faced with oppression, a context wherein the working class can assume "a role of champion of change."

The defender of the minority position emphasized that we are witnessing a "very serious failure to take a stand on the issue," and maintained that, among the party's members, "with regard to ideological problems, there is no consensus, but rather clearcut definitions." After stressing that the left might be abandoned if the issue is not considered from a class standpoint, preventing its inter-class utilization by the right, he concluded by saying: "Either the party will forcefully assume the national construction of Andalusia, or the failure to take a stand will continue to prevail; and this issue will be raised again at the next congress, but after elections for the Andalusian Parliament have been held."

## The Statute of Carmona

The Statute of Carmona was included in this debate, from which it is assumed that, in the opinion of the majority, introducing the national issue now would be a "distorting element in the process of autonomy." This view was expressed by Fernandez Pina, from Granada, who declared: "It would be an exaggeration to claim that the great mobilizations of the Andalusian people have been on behalf of national construction." He said that the risk in this regard would be far greater if one considered, as the plenum was reminded, the UCS's [Democratic Center Union] attempt to deter the general autonomous process of the state.

On behalf of the minority, Antonio Romero rejected the notion that to assume "national construction" meant tagging behind the PSA [Socialist Party of Andalusia], and admitted that, "Andalusia is not a nationality now, but it has traits," which would be grounds for accepting his proposal. He subsequently stressed that the unity of the Andalusian political forces had no reason to be destroyed if the PCA agreed to this notion. His address, which evoked some applause from the congress members, concluded with the statement that it was necessary "to merge and accept the historical legacy of the worker-peasant movement in Andalusia, and the new Andalusianism."

Fernando Soto concluded the series of speeches, stressing that the PCS has assumed from a class standpoint all the contributions that Andalusianism has to make, and denying that anyone could feel more Andalusian because of the mere fact of defending the national issue.

According to the secretary general of the Andalusian Communists, the origin of the new Andalusian nationalism lies "in the large number of problems existing in Andalusia which we do not know how to solve and which have overwhelmed us; and so we have put our heads in the sand, and have ended up leaping into a void."

2909

CSO: 3110

## FRAGA IRIBARNE TIGHTENS CONTROL OVER POPULAR ALLIANCE

## Report on Congress Proceedings

Madrid EL PAIS in Spanish 16 Dec 79 p 16

[Article by Camilo Valdecantos]

[Text] Yesterday's session of the National Congress of the Popular Alliance (AP), at which the line advocated by the party's leader was overwhelmingly approved, was marked by a lengthy debate on the party's new bylaws, which were heatedly argued over article by article; the report presented by Manuel Fraga, from which the description of the party as a center-right force was stricken, against his wishes, and a polarization of attitudes towards Fraga himself.

The morning session opened with Fraga's address, as he delivered the political report, the contents of which were discussed in these pages on Thursday (see EL PAIS, 13 December). In his speech Fraga accepted a number of the amendments that were brought up; chose to withdraw the definition of AP as a center-right party, although he personally still insists that that is the line to pursue; advocated amending a number of aspects of the constitution; presented a concerned analysis of the social, economic, political and cultural situation in Spain today; launched a harsh attack against the Communist Party, after setting down a "dividing line" for the legal recognition of parties; practically ignored the UCD [Democratic Center Union], to which he devoted a brief and especially bitter commentary that was applauded by those attending the congress, and defined AP as populist, conservative and reformist.

At the conclusion of his speech, which was interrupted several times by applause, Gregorio Rubio Nombela, a colleague of Fraga's for several years, argued for an amendment proposing that AP define itself as a center-right party. There was widespread protest in the hall, and Fraga intervened firmly to close discussion on the issue,

proposing that the report be voted on as it stood, even though he had previously cautioned that in his opinion the party ought not to completely abandon the centrist label. Scarcely two dozen votes were cast against the report.

### Substantial Changes in Bylaws

The morning session continued with debate on the bylaws report, which proposes substantial modifications and considerably strengthens the role of party president. This was the issue that aroused the most controversy before and during the congress. Guillermo Piera, the assistant secretary general of the party who leveled some serious basic criticism in his speech on Friday concerning the party's performance since its last congress, argued for a complete overhaul of the bylaws. He was countered by Jose Maria Ruiz Gallardon, who used wording that many participants regarded as a personal attack on Piera. In the end, the amendment was rejected, with only 32 votes in favor and 19 abstentions, some of which were particularly significant, for example that of Fernando Suarez, who at the last moment declined the offer to be named party vice president.

Piera represents the line that opposes the stand advocated by the party's new leadership. Thus, he is viewed at the congress as a sort of representative of the former president and vice presidents, Felix Pastor, Carlos Argos and Isabel Barroso, who resigned. Although there had been speculation that Pastor Ridruejo might back an amendment to the political report, he did not show up at yesterday's session. Many of the participants underscored his absence.

Piera argued essentially that the bylaws shatter the parallel structure of the central bodies, which are run by the president, and the provincial and regional bodies, which are run by secretaries, because, in his opinion, they identify leadership with omnipresence.

Ruiz Gallardon replied that if the charge was that the bylaws confuse leadership with omnipresence, that was precisely "the spirit in which they were drawn up." At another point he stated that if Fraga were not the president of the party, "I would propose new bylaws, but it so happens that he is the president, and the natural leader of the AP has to have the powers required to exercise his functions."

During the detailed debate on the articles of the bylaws, the speeches by the president of the congress, Agustin de Asis Garrote, prompted boos, shouts and protests, especially at the outset of discussion.

Fraga had left the assembly room and upon his return he again addressed the congress and asked that the discussion regarding his person not become polarized and that mention of his name be avoided.



It was past 1800 hours, after a recess at mealtime, when examination of the bylaws report concluded and discussion of the remaining reports began. They were: new generations, defended by Alejandro Martin; economics, handled by Guillermo Piera; social policy, defended by Miguel Ramirez; family and education, backed by Jose Manuel Gonzalez Paramo; municipal policy, Jose Maria Suarez, and regional policy and autonomies, which was drafted by Adolfo Abel Vilela and Jose Carlos Rodriguez.

In the report on foreign policy, which was passed at Friday's session, AP came out in favor of reestablishing diplomatic relations with Israel. In the case of Gibraltar, it suggested, after decolonization, a home rule arrangement as wideranging as that of any other region of Spain.

The candidates for leadership bodies will be nominated and voted on at today's Sunday session. No surprises are expected in connection with the predictions that have been made in recent days.

#### Fraga Interviewed

Barcelona LA VANGUARDIA in Spanish 20 Dec 79 p 10

[Interview with Manuel Fraga Iribarne by Mary Merida; date and place not given]

[Text] Having achieved the personal political success of reaffirming himself as head of the party that he has molded, Manuel Fraga says that AP's record so far has been positive, because when the party began, it had an inconsistent personality, with many people at the top and each group with its own traditions and leanings, and it ran the risk of being confused with a "bingo card." "Today it is much more of a party than a collection of groups, and it has been gradually reforming itself. I feel that at the moment it is in better shape than ever," he says, "and we are no longer the 'bogeyman' that we were at the beginning."

[Question] At its first two congresses your party placed itself on the center-right, but now, however, it seems to be much further to the right on the political spectrum, isn't that so?

[Answer] The party did, in fact, place itself on the center-right, and I think that it is, but I would rather not engage in this business of names. Our program does not need any labels. Other parties might have to cover their nakedness with them, but ours doesn't.

[Question]      What is your concept of the center-right, Mr Fraga?

[Answer]      My concept is of a conservative, reformist party that is different from a center-left group, which leans more towards radical stands. We support a system of freedoms, equal rights, social justice, the defense of marriage and the family, the safety of citizens, economic stability to be promoted by schooling, etc. This is what defines a party, and as far as I am concerned this is the center-right that exists today in Portugal and dominates in France and other European countries.

[Question]      Nevertheless, Mr Fraga, it seems that the right, even with the label of center-right or just plain right, has not completely jelled. Why? Is it because they do not all have the same idea of democracy or because they have differing views on other issues?

[Answer]      There is, in fact, a non-democratic right with which we, of course, disagree. It also so happens that democracy is still extremely weak in Spain today, as in Italy. But it was also very weak in France under the Fourth Republic, and even so the fifth worked out very well. Democracy also works very well in England. We disagree with any group that is not democratic and we therefore cannot maintain relations with such a group. Now then, I will extend a cordial invitation for an understanding to any group that backs the unity of Spain against revolutionary processes, that defends the family and public morality and that is against Marxism and anarchy, and I have said this before. The right wing that you are referring to, however, usually does not distinguish between the democratic and non-democratic right, and in this connection we can see what is happening in Europe. What we really have today are a center-right and a center-left that are taking turns. But since all of these are debatable issues, I would rather not talk about them.

[Question]      You said before that democracy in Spain is extremely weak. Why? Is it because we still have a long way to go before it consolidates or because its foundations are not solid or because it is not functioning as it ought to?

[Answer]      Spain's democracy is weak because there is rampant terrorism, because we are on the way to two million unemployed, because we have no strength overseas.

[Question]      But the government is doing everything possible to alleviate all this, isn't it?

[Answer] No, and we already said at the appropriate time that it was not doing everything possible, in addition to making certain concessions that are very dangerous for our democracy.

[Question] Such as?

[Answer] Say, for example, the ones that have to do with Article 2 of the constitution.

[Question] You are not an advocate of negotiation, are you, Mr Fraga?

[Answer] I am an advocate of negotiation, but not at any price and not under all circumstances. Spain's borders and unity are non-negotiable. You cannot negotiate at any price.

[Question] Mr Fraga, 1979 is almost over. Would you please give me a brief overall assessment of how you feel this year went.

[Answer] It went as it had to go, badly. We can now pass judgment on 1979. There was no improvement in any of the good figures; weakness still prevailed, and there were no serious approaches to problems.

[Question] How do you think 1980 will be?

[Answer] As long as the current setting continues and as long as the government continues to act exactly as it has so far, there is no reason why things should get better.

[Question] What are you especially worried about, not only as a politician but also as a Spaniard?

[Answer] That when a country is going downhill, it might end up in a governmental crisis. One million people unemployed means, for example, that eight million Spaniards depend on public compassion.

[Question] You make charges and point out the bad things, Mr Fraga. But why don't you give alternatives and solutions and say what you think ought to be done?

[Answer] That is not true. We have given alternatives for everything. There is not a single development that we have not brought up for discussion; moreover, it has been shown that we were right about what we had said.

[Question] I assume, however, that some things must have gone well...

[Answer]      Naturally things are not all black and white; there are gray areas too. But you asked me to give my assessment, and as a politician I am answering you that on the whole that assessment is negative.

8743

CSO: 3110

## ANXEL GUERREIRO CHOSEN SECRETARY GENERAL OF PCG

Madrid MUNDO OBRERO SEMANAL in Spanish 6-12 Dec 79 p 8

[Text] By a vote of 28 in favor, 11 abstentions and 2 uncast ballots, Anxel Guerreiro, a 34-year old Galician with a master's degree in chemistry, was elected secretary general of the PCG [Communist Party of Galicia], succeeding Rafael Pillado.

Guerreiro, who joined the party in 1968, had headed up the Secretariat of Political Relations up to then. He is also a member of the Central and Executive committees of the Spanish Communist Party (PCE).

During the meeting at which he was elected, the Central Committee discussed the need to enhance the party's operations so that it can spur the current political process in Galicia; methods of organization and work, and relations among the various leadership bodies, and it decided on a remodeling of the Executive Committee and the Secretariat, for which purpose it set a meeting for the 15th.

The new secretary general asserted that "the PCG is going to refine its policy to the utmost in order to tailor it to the new realities, inasmuch as a significant political crisis has emerged in Galicia with the decision that the Democratic Center Union made with regard to the statute. This crisis is not going to be settled until the future Galician Parliament is established."

8743

CSO: 3110



## FUENTES QUINTANA ON EFFECTS OF OIL PRICE HIKE ON ECONOMY

Madrid EL PAIS in Spanish 23 Dec 79 pp 42-44, 46

[Article: "Spain and Oil, Four Answers to Four Questions"]

[Text] The news of the week, and unquestionably the economic news of the year, consists of uneasiness and uncertainty and, finally, a rise in the prices of crude oil. Those hikes have subjected the national economies to intense "shocks," causing in them a series of effects which identify the economic crisis that we are undergoing: They have upset the real ratio of exchange, they have caused upheaval in the balance of payments, they have intensified inflation, they have reduced the capacity for growth of the various countries, and they have dashed the hopes of business owners and consumers, spreading a universal pessimism about the future.

What fundamental effects will result from that increase, certain in its direction and uncertain in its amount, with which the discussions in Caracas finally ended? What are the fundamental questions to be asked and to be answered in order to assess the effects of the new decisions made regarding oil during 1980?

To provide an answer to these questions is the purpose of the following article, written by the staff for the column "Economic Situation," headed by Prof Fuentes Quintana and including Profs Lagares Calvo and Raymond Bara, and economists Julio Alcaide Inchausti, Jose Garcia Lopez and Miguel Valle Garagorri.

The news accumulated last week, creating a dramatic effect and uncertainty among all Spanish citizens. We already know that oil will cost us far more in 1980. With fear and uncertainty, we wonder what the major effects will be of this decision that the countries which comprise the OPEC cartel have just made. It befits us to put the questions in order, that is, attempt to make an accurate query regarding the fundamental effects of the new hike in crude oil prices. The questions that we shall attempt to answer in this article are four. There is, in particular, an effect on the balance of payments. We import oil, and we must pay a higher price. How much will the 1980 oil bill cost us, and what effects will the increase in its size cause

on the Spanish balance of payments? What restrictions does the increase in the oil bill impose on the rate of economic development? The third question for which we shall try to provide an answer is: To what extent does that decision on the new crude prices push the Spanish economy toward higher inflation? What will the effects of the new oil prices on Spanish inflation be? And, finally, we must ask whether the Spanish economy is well prepared to receive the harsh "shock" of oil that has occurred at the end of 1979, one which threatens to recur during 1980. Have we prepared ourselves adequately to strengthen our economy so that it will be able to tolerate and assimilate the "shocks" of oil? This will be the fourth question to which this article will attempt to respond.

How much are we going to pay for oil in 1980? The crisis is so deepseated that we have not been told. The countries comprising OPEC have left the Caracas meeting offering an extensive sampling of prices. And deep uncertainty surrounds the prices that we shall actually be paying in 1980; and, what is even more serious, that same uncertainty is associated with the supplies of the amounts needed to meet our oil requirements. The most reliable and officially published calculations report between \$30 and \$31 per barrel as a possible price for 1980, a price on which nearly all opinions are agreed, and which is based on hypotheses regarding the behavior of prices in 1980, something that is questionable on principle, because there is no certainty about the future of this market. Nevertheless, assuming that our supplies on the Rotterdam "spot" market stand at about 25 percent, and that the rest of the purchases are at the current prices, the officially announced prices may be regarded as a questionable approximation, like all of them. However, let us accept this as the basis for reckoning the 1980 oil bill. The conclusion is obvious: In 1980, our bills for oil purchases will amount to \$11.5 billion (approximately \$5 billion more than those paid in 1979). It will not be easy to arrive at the limit of the oil bill at those rates, because there are many calculations which consider the original figures optimistic. It will all depend on how we manage to purchase oil, a factor which has become essential and strategic, in view of the state of the crude market. This factor forces us to ask ourselves whether Spain is making good purchases of its crude as a whole, and whether the available institutional system is in the best position to cope with the difficult world of supplies and prices.

In any event, the amounts in which the payments will rise are so large that an alert to their absolute and relative value appears indispensable. The figures in Table 1 speak quite clearly.

Spain will have to pay at least \$11.5 billion for its total oil purchases in 1980. We are used to hearing about the outpouring of millions when oil is discussed, and we are just noticing the enormous cost that oil consumption is going to entail for the country during the next fiscal year. A few comparisons will explain its size. Our impoverishment with respect to the rest of the world, as a result of the rise in crude prices alone,

will mean that all of the tourist effort in the country during 1980 will not suffice to pay for the oil bill. We shall have to put out an additional 50 percent. Thus, the oil bill, which in 1973 amounted to a third of our tourism income, will be 100 percent of it in 1979; and in 1980 that income will no longer suffice to cope with our debts resulting from oil imports. We shall be lacking no less than 50 percent of that income. The 1980 oil bill means that we would have to turn over 62 percent of our end agricultural production to provide for our crude oil purchases; whereas, in 1973, 15 percent was sufficient.

If the actual minimal rise in oil prices during the months just prior to the OPEC conference stands, as an average for 1980 compared with 1979, around 60 percent, the anticipated rate of growth in the GDP for 1980 will have to be brought down by over 2 points, approximately; and, as a result, it could sink the economic growth for the next year into negative rates, for the first time since the 1959 stabilization plan. In addition, this price hike may possibly not be final, but rather followed by other subsequent increases. Finally, if we add to all this the fact that the decline in the growth rate is one of the main factors causing unemployment, the situation clearly requires the adoption of a fitting economic program aimed at easing the major breakdowns from which the Spanish economy is suffering.

The foregoing conclusion is warranted by two supplementary views, which make it possible to judge the effects on growth stemming from a change in the prices of energy products. On the one hand, a rise in energy prices represents a deterioration of the real ratio of exchange. This means that the same quantity of goods and services exported is exchanged for real imports that are smaller. As a result, there must be a reduction in the domestic supply and in the potential for consumption and investment. On the other hand, there is an induced effect on demand, stemming from the reduction in domestic purchasing power, represented by the transfer of a certain amount of monetary income abroad.

Focusing on the first point, it must be stressed that the domestic supply is defined as the volume of resources available for consumption and investment. Based on this definition, a deterioration in the real ratio of exchange represents a decline in the volume of resources available for consumption and investment domestically, when a given quantity of exported goods and services is exchanged for a lesser quantity of imports.

Graph 1 reflects the evolution of the real ratio of exchange in the Spanish economy for the period 1964-78. On it, one observes the sharp decline that occurred in that ratio during 1974, which had its counterpart in the evolution of the domestic supply, as shown in Graph 2. Thus, there was a regular increase in that size up until 1973. However, on that date, there was a downward trend, reflecting the direct impact on the domestic potential for consumption and investment. It is important to point out that, after that date, the rates no longer recovered.

The direct impact of the higher import prices may be gaged by the difference between the estimated domestic supply, maintaining the real ratio of exchange constant with its amount for 1973, and the evolution noted in this magnitude. The key point is that an initial "shock," that in 1974, is sufficient to change the rate of expansion in the domestic supply.

Hence, it is precisely the induced effects stemming from a rise in the prices of energy products which partially explain the progressive deterioration that has been noted in the Spanish economy since 1973.

The question immediately arises as to what could happen to the growth rate of the Spanish economy in 1980 if there is in that year a considerable rise in the prices of energy products; and, in this respect, we should not forget that this hike will affect a depressed economy, with greater unemployment than in 1973.

In an attempt to provide an answer to this question, we must, first of all, stress one item of information: the inflexibility of imports of energy products. In this context, an increase in prices of imports, if the real imports remain stable, will be reflected in a transfer of monetary income abroad, something which will affect the various functions of domestic expenditure.

Table 2 shows some of the estimates that have been made. On it, various percentages of increase in the prices of imports of oil products have been considered: specifically, 30 percent, 60 percent and 80 percent. Assuming that the real imports of oil products remain constant, each one of these increases represents a certain transfer of monetary income abroad, which appears average in terms of percentage with respect to the amount of the GDP. Consequently, the purchasing capacity of the economic units for consumption and production will be limited, and this will have as a counterpart a lower potential for consumption and investment which, by means of the demand, will lead to a decline in the rate of growth in the GDP. In addition, it should be stressed that this proliferating effect will not be confined to the year in which the transfer of income takes place.

In any event, it should be pointed out that these results reflect orders of magnitude. Now then, if a comparison is made with what happened in 1974, one observes that their degree of closeness to the reality of these years is rather high. In particular, on that date, the loss of purchasing power involved in the rise in prices of oil imports virtually coincided with the decline in the rate of growth of the GDP.

It has been estimated that a 60 percent hike in oil prices would entail, on the average, a 13 percent increase in the sales price of petroleum products. However, the increases in the prices of various types of energy which the government may possibly order will mean greater hikes, which will be justified with arguments related to energy and industry regulation. A 20 percent rise in the average price of petroleum products alone would soon have



repercussions on the increment in the consumer price index, raising it one point. If this increase were transferred to wages, the final effect might prove to be 1.4 points. Finally, in view of past experience, if the proper policies are not devised, the effect of the inflationary expectations could go so far as to triple or quadruple the initial impact, taking a sufficiently long period into consideration.

In fact, to judge the inflationary impact from a rise in the prices of energy products, we must make a distinction between two types of effects: on the one hand, the direct effect stemming from an analysis of the cost structure of the business firms; on the other hand, the final inflationary effect, in the event that we do not succeed in avoiding the transfer of higher production costs and prices to the amount of monetary wages.

With regard to the direct impact inferred from the "input-output" chart (1975), the inflationary effects caused by a rise in crude oil prices will depend on how the government decides to have this increase affect the products offered for sale on the domestic market. On the assumption that the hike in prices of petroleum products is not overly different from the rise that occurred in July 1979, a flexibility has been estimated in the consumer price index with respect to the prices of petroleum products. The result obtained is 0.05, a coefficient that does not include potential unwarranted hikes above the increase in costs for certain products controlled by the government, such as electrical rates, or air and rail transportation. One infers from this that, as indicated, if the prices of petroleum products increase 20 percent, and this price hike has repercussions on domestic prices similar to those of July 1979, the direct impact on the consumer price index will be 1 percent.

Now then, in July 1979 this increase was used to make a discretionary rise, in a greater proportion than costs, in the prices of rail and air transportation, as well as electrical rates. In this case, the inflationary effect of a rise in the prices of energy products spreads considerably.

Secondly, it is important to take into account the possible effects of a wage-price spiral which could result from an initial hike in the prices of petroleum products. If the increase in consumer prices caused by a rise in the prices of energy products is transferred to monetary wages, the final effect on the inflation rate becomes greater.

However, the most serious effect occurs when the acceleration of inflation triggers expectations of inflation themselves. In this instance, the various economic agents do not attempt to set prices which compensate for the past increases in costs, but rather try to absorb future costs that are expected to rise. Under these circumstances, the final effect on the inflation rate could be between three and four times more than the increase in prices alone. The result finally accrued depends on the position that the various economic agents assume toward the fact that a hike in energy



prices must represent a real reduction in purchasing power. If this fact is not accepted, the monetary rise in income will constitute an immediate result which cannot obviate the underlying reality that the domestic supply, that is, the volume of resources available for consumption and investment, has undergone a curtailment, as a result of higher energy prices.

The energy crisis of the 80's is reaching our economy when the latter has carried out a major process of adjustment that has affected two different fronts: inflation and the balance of payments. A country will be in a worse situation with respect to the crises caused by the "shocks" of oil the higher its inflation rate is, and the more lack of equilibrium there is in its balance of payments abroad.

On these two fronts, Spain has made an enormous effort to correct the maladjustment of its inflation with respect to that in the rest of the world, as well as the large foreign deficit which it had at the beginning of July 1977. Comparing the former situation with the current one, it turns out that, while inflation reached a rate of increase of 14.5 percent during the months of June, July and August 1977, during the final quarter of 1979, consumer prices were rising at an annual rate of 14.5 percent. This drastic cut in inflation was not achieved nor improvised without cost. It is related to the effort for adjustment resulting from the economic policy, and accepted by the Spanish population; and it proves to the limit of certain evidence the consequences stemming from a more or less acute inflation during the period of the current crisis. What would have happened if the hike in crude prices had caught the Spanish economy by surprise in July 1977? Inflation would have exceeded all predictions, with extremely serious effects on the country's economic, social and political coexistence.

There has also been a very sensible adjustment in the balance of payments. In July 1977, the deficit in the balance of payments approached \$5 billion, of which sum \$3.166 billion had already been recorded in June. Our net foreign exchange reserves as of 30 June totaled \$3.729 billion. When these figures are considered in relation to the current crisis, they tell us that the reserves at that time would not have been sufficient to pay for the increase in the 1980 oil bill, which will total about \$5 billion. The deficit in the balance of payments would have been worse in 1977.

The energy crisis of 1979-80 is arriving after a major adjustment in the balance of payments, which has surprised the Spanish economy with a surplus of about \$1.2 billion, and with reserves amounting to \$13.237 billion; which make it possible to cope easily with the formidable increase in crude prices.

All of this leads to one obvious conclusion: The adjustment in prices and in the balance of payments that our economy has achieved with effort and perseverance since July 1977 is indispensable from every standpoint; so that any view toward future events forces us to persevere in that effort. Our problems will not be solved with increasing doses of inflation, or by

incurring lack of equilibrium in the balance of payments; but rather by attempting, with an inevitable effort, to curb the rise in prices and to improve our foreign trade balance through an exporting policy.

The weaknesses in the Spanish economy upon the arrival of this serious oil crisis of the 1980's lie in the meager accomplishment of other adjustments: the adjustment in the productive structure, which would require directing the country's energy supply toward production lines replacing oil (coal, gas and nuclear power), and more resolutely undertaking what has been effected by an energy conservation program. It would also require other adjustments in production that are not so obvious but no less important: an increase in the supply of our raw materials, the international prices of which have risen, in accordance with their traditional sympathy with energy price hikes; and a reinforcement of our agricultural and food production, wherein weaknesses have been reported which will have a future effect on the level of consumer prices. Those adjustments in production also necessitate consideration of the reconversion of productive sectors with problems, such as the iron and steel industry, ship construction and equipment, wherein the programs for adapting to the crisis are being carried out in a frugal and undetermined manner. Finally, the adjustment in production necessitates forcing those sectors which could offer a little more employment to the areas which are suffering from particularly serious unemployment. The current slump in the construction industry is not in keeping with the diligence that the situation requires of it.

Insofar as the adjustments in energy itself are concerned, mention should be made of the large amount of energy that our economic entities require for their normal operation. Since Spain is on an intermediate level of industrial development, the effect of the industrial sector on the national economy is comparatively greater than in other more advanced countries, wherein the services sector is more developed. Moreover, in our industrial structure itself, the basic industries also carry relatively greater weight than in other countries. In view of the fact that industry consumes more energy than services, and the same thing holds true for the basic industries with respect to the others, one may readily conclude that it is a normal situation for the intensity of energy in Spanish production to be higher than that in many other Western countries. For example, whereas, in 1977, Spain had to consume 1.38 tec to produce \$1,000, in 1970 U.S. currency, Germany needed only 1.18, Australia 1.23, Italy 1.20 and Japan 1.18. In other words, our economic system is more inefficient in terms of energy.

More disturbing than this absolute figure is its evolution in time because, for example, while it was 1.25 in Germany in 1960 (in other words, higher than at present), in our case it was far less in that year (1.27), and it increased progressively until 1973, becoming virtually stabilized since then. Although this means that the first oil crisis forced a certain amount of industrial reconversion, it also means that the latter was not forceful enough to put us on the path of sound energy policy, but rather in structural stagnation. Hence, the effort that remains to be expended in this direction is considerable.

Finally, there are the adjustments in another area that is fundamental to the crisis: that of the economic system. A country must economize on its resources, close all the gaps leading to waste and, definitively, see to it that every peseta spent results in the maximum possible increase in production and employment. The reforms in the economic system should serve this purpose. The reforms which the Spanish economic system needs to incorporate are extensive, and have always been put off, because they are directly at odds with a group of powerful interests. First of all, it is necessary to extend the market economy system, making Article 38 of the Spanish Constitution a reality. It is obvious that the liberation of the financial system, domestic trade and foreign trade is a task which should be carried out immediately, because no one would publicly deny the need for it; and it is also clear that the reforms should be applied to the area of the public sector, and to that of labor or industrial relations.

The public sector needs to consolidate the reform of its tax system, and this consolidation requires that the reform in the tax administration be related to the new, better distribution of the tax burden to which the new tax laws aspire. To lose the war of tax reform when its first battle has been won, upon spreading the conviction among Spanish society of the general need for taxes, would mean losing an asset of enormous value; because without a just distribution of the tax burden, it is impossible to achieve the necessary solidarity with which to develop the economic plan that the battle against the crisis demands.

The culmination of the reforms to the tax system must be followed by reforms which facilitate financing with the state's public debt. We must be aware of the fact that taxes cannot finance all of the state's expenses, and the public sector must find in the debt an accessible, viable means of meeting its financial needs.

The other major reform in the public sector, that of public spending and of the public enterprises, should absorb the priority attention of the government and the administration itself. There is a personal conviction that the state is not spending well, and there is a widespread opinion that the public enterprises are accumulating excessive deficits, which must be curbed if we want to administer the slight means that we have at our disposal in a better manner. The country needs clearcut evidence of a good administration of spending and in public enterprise.

The new labor relations law should be the beginning of different industrial relations geared to European principles. However, a law is not sufficient to achieve such relations, and the world of business and labor must seek an understanding based on the new legal framework that is attempting to respond to the challenges of the crisis.

These four adjustments to the crisis: the adjustment of inflation, that of the balance of payments, that of the structure of the production system (with special heed to the energy sector) and that of the economic system,

should inspire a coherent, complete response from Spanish society to the problems posed by the economic crisis: a total response, wherein the various ingredients which the battle against the crisis requires are combined, without confining them exclusively to the energy sector, because the latter should be an important part of a whole. Solidarity, responsibility and realism can and should be demanded of the Spanish society, to provide a complete response to the problems that the crisis is causing us during this decade, which we are beginning with uncertainty and problems, but, in spite of everything, if that response is forthcoming, with hopes.

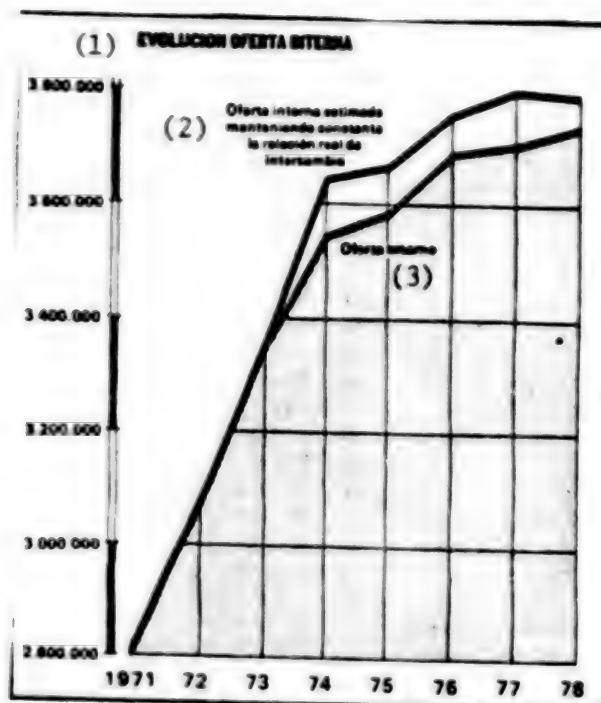
Table 1

Years	Payments for oil imports (millions of \$)	Revenue from tourism (millions of \$)	Value of net agricultural product (millions of \$)	% of tourism revenue for oil payments	% of end agricultural product for oil payments
1973	1.057	3.240	7.140	33	15
1979	6.500	6.440	15.537	100	42
1980	11.500	7.440	18.644	150	62

Table 2 Effects on Growth Caused by a Rise in Prices of Petroleum Products

	Alternatives		
	I (%)	II (%)	III (%)
Percent of change in prices of petroleum products	30	60	80
Transfers of income affecting the GDP figure for 1979	0.90	1.80	2.40
Induced effects on the growth of the GDP	1.00	2.1	2.9

Graph 1.



Key:

1. Evolution of domestic supply
2. Estimated domestic supply keeping the real ratio of exchange constant
3. Domestic supply

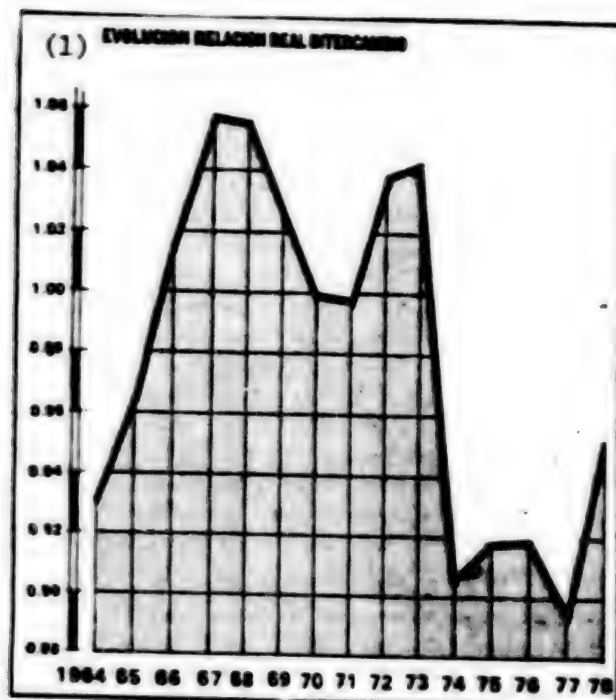
Comment on Graph No 1.

#### The Drop in the Real Ratio of Exchange

The rising prices of oil, raw materials and food in comparison with industrial products caused the countries poorly supplied with those resources a sudden, sizable, relative impoverishment in 1974, and it will do so again in 1977-80. The real ratio of exchange, defined as the quotient between the prices of Spanish exports and the prices of our imports, clearly attests to the decline in 1974 resulting basically from the drastic hike in prices of imported crude and other raw materials. That drop in the real ratio of exchange reflects the impoverishment of an economy with respect to other countries. In 1980, the real ratio of exchange will decline again, as a result of the new crude oil prices, and we shall have to export more in order to pay for the same imports, or else we could import less if we do not succeed in exporting more. The experience from 1974-75 teaches us the series of detrimental effects resulting from that deterioration in the real ratio of exchange: the balance of payments is pressed into a deficit, inflation increases and the potential for growth declines.



Graph 2.



Key:

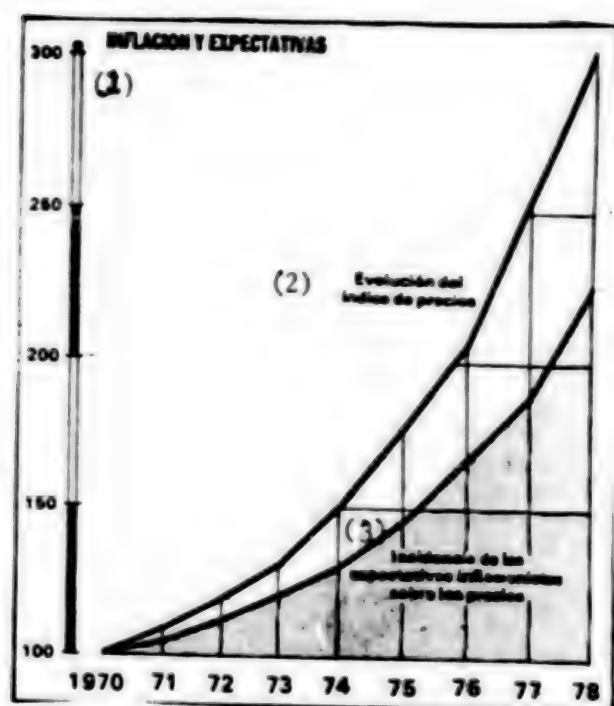
1. Evolution of real ratio of exchange

Comment on Graph No 2.

#### The Effects of the Crisis on the Economy

A decline in the Spanish ratio of exchange such as occurred in 1974, and will occur again in 1979-80, has a direct impact on the evolution of the domestic supply, defined as the value of the GDP plus exports, deducting imports. It is a measure of the volume of resources available for consumption and investment. The graph attempts to assess this adverse effect caused by the change in the real ratio of exchange between 1974 and 1978. The method for doing this consists of showing how the domestic supply has really evolved, and how it would have acted on the assumption that the real ratio of exchange had constantly maintained the figure that it had in 1973. The difference between both lines reflects the decline in the domestic potential for consumption and investment (in other words, the transfer of funds abroad), resulting from the increase in prices of imported oil and other raw materials. It should be stressed that the impact which occurred in 1974 as a result of the drastic hike in prices was great: The total cumulative loss resulting from these causes between 1974 and 1978 was quite considerable, amounting to 11 percent of the 1978 domestic supply.

Graph 3.



Key:

1. Inflation and expectations
2. Evolution of the price index
3. Effect of the expectations of inflation on prices

Comment on Graph No 3.

#### Increase in the Price Index

The attached graph details the increase in the Spanish price index for the period 1970-79, and the portion of this increase that should be ascribed to expectations of inflation per se. For example, the latter have been causing the various economic agents, whether for the purpose of gaining a comparative advantage or to protect themselves from inflation, to make in advance their decisions regarding the raising of prices. That in itself is enough to cause a rise in the general price index. The higher prices stemming from expectations of inflation will, in turn, have an effect on monetary wages. Finally, in the next phase, the wage increases will be transferred to prices. In this context it is obvious that a basic foundation for success in any economic program attempting to put an end to an inflationary process is that it be capable of eliminating the expectations of inflation themselves. In fact, as the graph shows, the average rate of increase in prices for the period 1970-78 was nearly 15 percent. And of that percentage, as historical experience has proven, the very expectations of increases in prices could be responsible for over 50 percent of the inflation recorded.

2909

CSO: 3110

## CENTER, LIBERALS, FEARING CONSERVATIVE TIDE, FLIRT WITH SAP

Oslo AFTENPOSTEN in Norwegian 14 Dec 79 p 8

[Commentary by Lars Hellberg]

[Text] We don't know where the statement that history never repeats itself came from but it's a lie anyway. At any rate the Swedish "middle parties" are currently repeating the so-called center political debate, an act that keeps coming up at regular intervals on the Norwegian political scene. Despite the fact that we have seen the production in various versions several times already the performance is just as bizarre each time.

The background is clear. In Gosta Bohman's Swedish mold the liberal-conservative Conservative Party is growing bigger and stronger at the expense of the so-called "middle parties." He still has some way to go before he achieves the same situation enjoyed by his Norwegian party colleagues, who have long had greater support than the two other medium-sized non-socialist parties put together.

But the lines in this if not divine then at any rate familiar comedy are identical with those we have heard through the years in the Norwegian version. "Stop the Conservatives," is the theme of the "bourgeois" analysts who think it is more important to halt Bohman's progress than to clarify the reasons behind the fall and then stagnation of the Center Party and the decimation of the Liberals. As if one is not the result of the other.

That the explanation for the "Conservative tide" might be that non-socialist voters want a non-socialist coalition and turn their backs on parties they consider doubtful in a coalition context is something that is overlooked entirely, just as their party colleagues in Norway do.

And it's wrong that the Liberal Party is being decimated because the party leadership seizes any opportunity to proclaim the party's unreliability in a coalition context a virtue by stressing the party's

alleged historic mission as the "left-wing party" in a non-socialist government coalition. According to DAGENS NYHETER, for example, the explanation is quite different, namely that the party has always lost out when it cooperated with the right wing. The response to the "Conservative threat," still according to "self-critical Liberals" is obviously to expand cooperation in the political center. Which they are now doing in a kind of opposition to the Conservative Party. Anyone who claims not to have heard this refrain before should go stand in the corner.

The difference is that the Social Democratic demagoguery that the middle parties will be wiped out by any cooperation with the right wing has an even wider audience on the Swedish side of the border than it does on the Norwegian. The fact that there really is a non-socialist government alternative which with all its lack of stamina has managed to win two successive parliamentary elections is a new and alarming experience both for the Social Democrats and for large portions of the non-socialist block.

The result has been a balancing act that is as pathetic as it is hesitant. On the one hand they have grasped that the non-socialist half of the electorate wants a government alternative, consequently a three-party government was formed. On the other hand they are falling for the Social Democratic demagoguery and trying to defend themselves by saying they are simply following the mandate of the voters.

And there sit Ola Ullsten and Thorbjorn Falldin in the government along with Bohman, while passionately reiterating their determination to cooperate over block lines, more specifically with the Social Democrats who want cooperation on their own terms for a socialist goal. And there you have it.

The monthly opinion polls underline with increasing force who is literally profiting not from the cooperation but from the well-known fickleness of the middle parties. There is nothing new under the sun.

6578

CSO: 3108

## GLOOMY PROGNOSIS FOR SWEDEN'S ECONOMY IN 1980

Oslo AFTENPOSTEN in Norwegian 3 Jan 80 p 8

[Article by Lars Hellberg]

[Text] Stockholm, 2 Jan--All available forecasts indicate a bleak year for the Swedish economy. At best real wage developments will stagnate while the foreign trade balance will erode even further.

According to the Federation of Swedish Industries exports will rise a meager 1 or 2 percent while a new cost explosion, primarily due to dramatic oil price hikes, could result in two-digit price increases and rising unemployment.

The first test will be the big income settlement in the spring. This will be complicated by the fact that the most powerful trade unions want to use this as a lever for the introduction of temporary workers' funds with a shift in ownership and control patterns and possibly socialization under union guidance as potential consequences.

Economist Dan Andersson who belongs to one of the country's biggest industrial workers' unions, the Metalworkers' Union, summed up the situation like this: "There could be labor strife unless employers realize that this time negotiations must include both the surplus profits of firms and wages. If we are to agree that some of the profits should remain in the firms we must have control over the money," he argued simply--and he is not alone in his views.

The background is a complex economic picture. Large sectors of Swedish industry--especially engineering firms--are doing quite well, earning good money for the time being. The austerity policies of two non-socialist regimes in the last 3 years have produced results but the well-known crisis branches of the 1970's are still unable to stand on their own feet.

Despite progress in recent years it is clear that business as a whole scarcely has enough money left over to pay wage increases, something the



union movement seems prepared to accept. "But," said Andersson, sounding the LO theme for the spring contract negotiations, "in that case the wage earners must be given something else, specifically control over the money business insists must remain in the firms for future investments and to combat the business recession that is just around the corner."

Even in 1979 the foreign trade balance will show a sharp decline in spite of remarkable progress for some heavy export industries. The main reason was that oil imports rose in value by 72 percent to 9.7 billion kroner. In the period from January to November foreign trade produced a deficit of 3.3 billion kroner compared with a surplus of 4.7 billion during the same period in 1978.

Some comparisons with other countries can serve to illustrate the situation. According to chief economist Soren Andersson of the Savings Bank the Swedish balance of trade in 1980 will be very bad compared with most industrial nations. According to his estimates Sweden alone could account for 20 percent of the total trade balance deficit of industrial nations, very dramatic for a nation accounting for less than 2 percent of total production in this group of nations.

Another comparison, made by the periodical AFFARSVARLDEN, gives the picture more perspective. If Sweden had had the same growth rate in the 1970's as Norway, for example, the nation's gross national product last year would have been 20 percent larger, or--if you will--90 billion kroner which would have enriched each wage earner by 20,000 kroner if the money was distributed equally.

The average growth rate for Sweden in the 1970's was 2.25 percent, which means that even the crisis-stricken Denmark did better.

6578  
CSO: 3108

## DESPITE PRICE HIKES, LKAB MINING COMPANY FACING DIFFICULT YEAR

Oslo AFTENPOSTEN in Norwegian 28 Dec 79 p 18

[Article by Lars Hellberg]

[Text] Stockholm--Despite sharp price increases on ore products the situation is extremely difficult for the state-owned Swedish LKAB Mining Company. The iron ore trains to Narvik are running on a full schedule as they have been doing for a long time. At the same time the joint sales company for LKAB and Granges, Iron Ore Exports, managed to push through a 30 percent price increase on Swedish iron ore for next year.

"But unfortunately that is not enough to avert further deficits for 1980," said LKAB administrative director Sven Johansson. "In the first place some of the firm's deliveries for next year must be made at 1979 prices. In addition the agreement is written in dollars which continue to decline in value."

The price increase agreement, which in practice is estimated at around 25 percent, was signed with the German steel industry just before Christmas and is expected to set a precedent.

To come out in the black in 1980, according to Johansson, the LKAB Mining Company would have had to push for price increases averaging over 37 percent. The hope is that next year's deficit can be stopped at 100 million kroner or less. But at the same time it is anticipated that a new international recession will hit the steel industry which is going full blast at the moment and that would create new problems for Swedish iron ore exports.

6578

CSO: 3108

## FACTIONAL STRIFE ERUPTS AMONG PEACE RESEARCHERS

Oslo AFTENPOSTEN in Norwegian 7 Dec 79 p 9

[Article by Lars Hellberg]

[Text] Stockholm, 6 Dec--All-out war in the citadel of the Swedish peace researchers. That in a nutshell is what is really paralyzing activity at Stockholm's International Peace Research Institute (SIPRI), threatening to permanently damage the reputation of the institute among peace researchers and responsible politicians around the world.

The cast of characters in this highly unusual drama is full of well-known names. The star is Professor Gunnar Myrdal, former Social Democratic cabinet minister, an internationally acclaimed economist and married to the founder of the institute, Alva Myrdal. Former foreign minister, current social minister and chairman of the board of SIPRI Karin Soder, on the other hand, is one of Myrdal's primary targets along with institute director Frank Barnaby. In the background can be glimpsed a committee report under the direction of former Social Democratic defense and foreign minister Sven Andersson on the future format of the institute.

Myrdal wants to get rid of both Karin Soder and Frank Barnaby. The staff, on the other hand, feel that the whole board should resign, leaving Barnaby in his post until his period of office expires in 1981. Instead of Karin Soder they want as chairman of an entirely new board of directors the Social Democratic arms reduction negotiator Inga Thorsson who remained as undersecretary in the Foreign Ministry when the non-socialist coalition took over in 1976.

SIPRI was established in 1966 on the initiative of Alva Myrdal as an independent international institute "to complement research being done at national institutes." Today the SIPRI yearbook and its other reports serve as source material for most of the peace research that is done. At times peace researchers from the whole world have come to Stockholm.

Gunnar Myrdal, who has been accused by his angriest critics of trying to destroy his wife's life work, feels the Swedish government through Karin Soder is attempting to control the institute's activities. To guarantee SIPRI's independence from the cabinet and parliament, which now appoints members of the board, he wants to involve the entire academy. But the internationally recruited peace researchers feel that would be a harmful emphasis on Swedish control and a threat to SIPRI's reputation.

The conflict came to a head at a board meeting which Karin Soder left after being sharply criticized by Gunnar Myrdal. With regard to Soder Myrdal and the staff agree that she should not be a member of the board due to her cabinet position. But the reason she is a member is more the result of an unfortunate coincidence due to government changes in recent years than an expression of a desire on the part of the current government to control the peace researchers.

6578  
CSO: 3108

END

**END OF**

**FICHE**

**DATE FILMED**

Feb-6-80

---

~~DD~~

DD